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CONGRESSIONAL
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Kennedy Boxscore

*Congress Approves 7 Percent
Of President's Requests*

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Bills Cleared

**Sugar, Debt Limit, Refugees,
Export Control, All-Channel TV**

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ALL-REPUBLICAN CONFERENCE

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Congressional Boxscore

MAJOR LEGISLATION IN 87th CONGRESS

As of July 6, 1962

Party Line-up

	<u>Dem.</u>	<u>GOP</u>	<u>Vacancies</u>
House Line-up	262	174	1
Senate Line-up	64	35	1

BILL	HOUSE		SENATE		STATUS
Welfare Revision (HR 10606)	Reported 3/10/62	Passed 3/15/62	Reported 6/14/62	Debate Underway	
Medical Care for the Aged (HR 4222) (S 909)	Hearings Completed			Debate Underway	
Public Works (HR 10113) (S 2965)	Reported 6/2/62		Reported 4/25/62	Passed 5/28/62	
Manpower Retraining (S 1991)	Reported 8/10/61	Passed 2/28/62	Reported 7/31/61	Passed 8/23/61	PL 87-415 3/15/62
Youth Employment (HR 10682) (S 404)	Reported 3/29/62		Reported 7/2/61		
Literacy Test Restriction (HR 10034) (S 2750)	Hearings Completed		Hearings Completed	Debate Suspended	
Aid to Education (HR 8890) (S 1021)	Reported 8/29/61	Rejected 8/30/61	Reported 4/12/61	Passed 5/25/61	
College Aid (HR 8900) (S 1241)	Reported 8/29/61	Passed 1/30/62	Reported 9/15/61	Passed 2/6/62	In Conference
Medical School Construction (HR 4999) (S 1072)	Reported 3/24/62		Hearings Completed		
Postal Rate Increase (HR 7927)	Reported 8/7/61	Passed 1/24/62	Hearings Underway		
Federal Pay Raise (HR 10480)	Hearings Underway		Hearings Underway		
Conflict-of-Interest (HR 8140)	Reported 7/20/61	Passed 8/7/61	Hearings Completed		
Omnibus Farm Program (HR 11222) (S 3225)	Reported 5/16/62	Recommitted 6/21/62	Reported 4/27/62	Passed 5/25/62	
Urban Affairs Plan (Plan No. 1)	Reported 2/15/62	Disapproved 2/21/62	Hearings Completed		
Welfare-Pension Plans (HR 8723)	Reported 8/18/61	Passed 2/7/62	Reported 9/8/61	Passed 2/7/62	PL 87-420 3/20/62
Mass Transit (HR 11158) (S 3126)	Reported 7/3/62		Approved by Subcommittee		
Wilderness System (S 174)	Hearings Completed		Reported 7/27/61	Passed 9/6/61	
Tax Revision (HR 10650)	Reported 3/16/62	Passed 3/29/62	Hearings Completed		
Corporate, Excise, Travel Taxes (HR 11879)	Reported 5/24/62	Passed 6/6/62	Reported 6/18/62	Passed 6/25/62	PL 87-508 6/28/62
Civil Defense (HR 10262)	Hearings Completed				
Reciprocal Trade Program (HR 11970)	Reported 6/12/62	Passed 6/28/62	Hearings Scheduled		
Foreign Aid Authorization (HR 11921) (S 2996)	Reported 6/7/62		Reported 5/28/62	Passed 6/7/62	
UN Bond Issue (HR 9982) (S 2768)	Hearings Underway		Reported 3/13/62	Passed 4/5/62	
Sugar Act Extension (HR 11730) (S 3290)	Reported 6/15/62	Passed 6/19/62	Reported 6/26/62	Passed 6/27/62	To President
Communications Satellites (HR 11040)	Reported 4/24/62	Passed 5/3/62	Reported 6/12/62	Debate Suspended	

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Floor Action

CONGRESS APPROVES COMPROMISE SUGAR ACT EXTENSION

After extensive debate the Senate July 2, by a 54-12 roll-call vote, adopted the conference report on a bill (HR 12154 -- H Rept 1957) revising and extending the Sugar Act which expired at midnight, June 30. The House had adopted the report June 30 by a 248-31 roll-call vote without much debate. (For voting, see charts p. 1155, 1156)

President Kennedy July 5 indicated at his press conference that he might not sign the sugar bill until additional amendments, added to a separate bill on honey bees (see below), were approved by Congress.

BACKGROUND -- The version of HR 12154 passed by the House June 19 (Weekly Report p. 1050) had been written by the House Agriculture Committee, which adopted Administration provisions setting quotas for domestic producers, but completely rejected Administration proposals for obtaining imported sugar. The aim of the Administration plan was eventually to eliminate all individual country quotas except that of the Philippines (protected by treaty), meanwhile holding open enough of the Cuban quota to provide that country with trade if it should reject Castro. Led by Chairman Harold D. Cooley (D N.C.), the House Committee increased the number of quota-holding countries from 16 to 30, raised the size of all extant quotas at the expense of the Cuban quota, specified which countries could supply what was left of the Cuban quota and each one's share, and denied the Administration's proposed import fee.

The Senate version of HR 12154, passed June 27, closely followed Administration proposals. (Weekly Report p. 1084)

Conference Bill.

House-Senate conferees reported June 29 after two days of meetings. Sen. Russell B. Long (D La.) July 2 said the Senate conferees had persuaded the House to recede from its position with great difficulty, after protracted bargaining. He said the House conferees refused to admit Administration advisers to the room in which the conference met, so that it had no advice on the foreign policy problems that might be created. However, the Senate conferees warned the House group that President Kennedy probably would veto any bill which conformed to the House measure.

The major points of compromise:

Length of extension. The conference version extended the Sugar Act through 1966 but set quotas for foreign countries other than the Philippines only through 1964. The House had approved an extension of the Act and all quotas through 1966; the Senate, through June 1967.

Import fee. The conference adopted the principle of the import fee proposed by the Administration and approved by the Senate, and agreed to apply it against entry of sugar brought in to replace the Cuban quota. But in place of the five-stage application of the full fee to imports from quota countries, the conferees approved application of 10 percent of the fee in 1962, an additional 10 percent in 1963 and again in 1964.

Cuban quota. The conference approved a Cuban quota of 1,634,122 tons. The House had set aside 1.5 million tons; the Senate, 2.58 million tons.

Other Foreign quotas. The conference set quotas for 28 countries, dropping only Mauritius and Argentina (see below) from the list approved by the House. The size of each quota was substantially as approved by the House. In addition, it adopted a Senate provision for a reserve quota of 10,000 tons, reportedly intended for Ireland. (In effect, the conference bill contained quotas for 29 countries.)

In other major actions, the conference: agreed to a Senate provision setting aside for domestic sugarbeet and mainland sugarcane areas 65 percent of growth in consumption above the current national level of 9.7 million tons, and establishing a reserve of 65,000 tons to be assigned to new sugarbeet growers (the House had approved 63 percent and 50,000 tons); agreed to a House provision eliminating imports of all of the 375,000 tons of refined sugar formerly allowed to enter under the Cuban quota (the Senate had approved entry of 250,000 tons of this) and to another setting a new formula governing entry of refined sugar from other countries (the Senate had approved a formula similar to the one in the expiring Act, which would have allowed about 70,000 more tons of refined sugar to enter than the House provision); adopted Senate language giving preference (in authorizing entry of sugar paying the full import fee) to Western Hemisphere countries and countries buying U.S. agricultural products; and adopted House language permitting the President to suspend the quota of countries which discriminated against American interests or which expropriated American-owned property without making adequate compensation. A House provision authorizing the President to pay the Dominican Republic fees levied against Dominican sugar in 1960 and 1961 was dropped.

All of the conferees except Sen. John J. Williams (R Del.) signed the report. Williams said in July 2 debate that he had refused to sign because the conference bill "went too far in accepting the allocation of basic quotas to many foreign countries."

Sen. Joseph S. Clark (D Pa.) opposed HR 12154 on grounds it would create "long-range damage" to U.S. foreign policy and the conference version was "not much better than the House bill."

Sen. J.W. Fulbright (D Ark.) said that the way that the quota system, with its artificially higher prices, was set up "gives inducement to an expansion" of an "uneconomic...sugar industry" in this and other countries.

During debate, several Senators complained of the treatment which Argentina and the Dominican Republic received in the conference version. Argentina had been dropped -- it had been added by the House -- but had not hitherto sold any sugar to the United States. The Dominican Republic received a permanent quota almost double its previous one but was denied for the future the large allocations of Cuban sugar which it had received during the first six months of 1962 (except for sale at the world

Floor Action - 2

price). The total Dominican allocation for the first six months of 1962 amounted to almost 480,000 tons, compared to the quota of approximately 190,000 tons a year granted in HR 12154. The Dominican government protested that such a sharp reduction in sales at the preferential U.S. price could result in economic collapse of the country, leading to a Communist-oriented government.

Rider to Honeybee Bill

Following adoption of the conference report Majority Leader Mike Mansfield (D Mont.) introduced, as a rider to a minor House-passed bill (HR 8050) restricting imports of adult honey bees, an amendment designed to give the President authority to adjust inequitable quota distributions in the Western Hemisphere. Debate on the Mansfield amendment was postponed until July 5.

The Senate July 5 amended and adopted the Mansfield rider by voice vote, then passed and returned to the House the bill (HR 8050) that originally merely prohibited imports of adult honey bees from countries which harbored diseases dangerous to bees.

The Senate added to the Mansfield rider, by voice vote, a Fulbright amendment which changed the deficit allocation formula in HR 12154, the sugar bill, by distributing all of the deficits except the share which the Philippines could receive to Western Hemisphere countries, at the President's discretion. Preference would be given countries purchasing U.S. agricultural commodities. Fulbright said the Department of Agriculture estimated that 1962 deficits might be as large as 300,000 tons.

The Mansfield rider permitted the President to distribute 75,000 tons of the Cuban quota to countries within the Western Hemisphere in 1962, and 150,000 tons in each of 1963 and 1964, subject to the same conditions as the quotas established under HR 12154. The remainder of the Cuban quota -- approximately 1,485,000 tons -- would be purchased under the conditions imported in HR 12154. In addition, the rider exempted the reserve (Irish) quota from the restrictions in HR 12154 on imports of refined sugar and imports of sugar from countries which imported more sugar than they exported other than to the United States.

A substitute amendment offered by Sen. William Proxmire (D Wis.) was rejected by a 26-40 roll-call vote. (For voting, see chart p. 1155) Mansfield said that he had "a considerable degree of sympathy" for the Proxmire amendment but that it would have "little or no chance of passing the House." He said that his amendment would be the only practical way of extending to the President enough flexibility to achieve his foreign policy aims in Latin America.

The Proxmire amendment would have eliminated the quotas for Australia, India, the Union of South Africa, Fiji, the Netherlands and Ireland, and reduced the quotas of Formosa, British Honduras, the British West Indies and the French West Indies. The resulting 150,000 tons would be given to the President to distribute within the Western Hemisphere. The Cuban quota of approximately 1,635,000 tons would not have been touched. Proxmire said his amendment, which was closer to the Administration bill than either HR 12154 or the Mansfield amendment, should not be rejected merely because the Senate feared that the House would not accept it.

RELATED DEVELOPMENT -- Five Latin American nations -- Costa Rica, El Salvador, Guatemala, Nicaragua and Peru -- July 3 submitted a formal criticism of the revised Sugar Act to the Council of the Organization of

American States. In a resolution, the countries said that a reduction in sugar prices and quotas would cause grave deterioration in the foreign trade of many Latin American nations.

Sugar Bill Provisions

Following are the major provisions of the Sugar Act Amendments of 1962 (HR 12154) as sent to the White House:

Extended the Sugar Act through December 1966, but set foreign quotas (other than the Philippines) only through December 1964.

Provided a new formula for determining the price level of sugar in the United States, under which the Secretary of Agriculture would set the sugar requirements of the nation at a level which would yield a relationship between the price for sugar and the parity index comparable to the relationship that prevailed in 1957-1959. (The parity index shows the relationship between prices paid for farm and non-farm goods.)

Set the following domestic quotas (in short tons, raw value):

Mainland beet sugar	2,650,000
Mainland cane	895,000
Hawaii	1,110,000
Puerto Rico	1,140,000
Virgin Islands	15,000
TOTAL	5,810,000

Whenever total national needs exceed 9.7 million short tons, domestic areas were to be allotted 65 percent of the increase (market growth), prorated between the mainland beet sugar and mainland cane areas.

Whenever a domestic cane sugar area produces more than its quota, that area's quota would be increased by a like amount in the following year -- but to a level no higher than was in effect immediately prior to enactment of HR 12154. Those levels:

Hawaii	1,177,936
Puerto Rico	1,231,682
Virgin Islands	16,795

Prohibited imports into the Virgin Islands of any sugar not produced on U.S. territory.

Authorized the Secretary of Agriculture, when determining proportionate shares for sugarbeet or sugarcane farms (for any year in which he determined it necessary to hold down production), to take into account past production and the capacity of the farm, or the farmer's production history, except in states where the history was not used prior to 1962 for establishing proportionate shares.

Required the Secretary to set aside each year from the national sugarbeet requirement the acreage (about 20,000 acres) required to produce 50,000 tons of sugar. The reserve would be distributed to "new and small producers" in order to provide acreage for "growth and expansion of the beet sugar industry." The reserve would be allowed to accumulate, and would be distributed so as to assure the construction of new processing facilities. However, beginning in 1966 total reserves in any year would be limited to acreage sufficient to produce 100,000 tons.

Ordered the Secretary, prior to allocating the national sugarbeet acreage requirement or the reserve acreage, to conduct an investigation, give notice, and provide opportunity for an informal public hearing.

Allowed the Secretary to consider sugarcane acreage harvested for seed in addition to acreage harvested for extraction of sugar whenever establishing proportionate shares for farms in terms of sugarcane acreage.

Allowed transfer of sugarcane production records in Puerto Rico from one parcel of land to another owned by the same producer, at the discretion of the Secretary.

Set foreign quotas as follows: First the Republic of the Philippines is assigned a quota of 1,050,000 short tons (but no percentage of market growth). Then Canada, the United Kingdom, Belgium and Hong Kong are assigned a total 1,332 short tons (but no growth or deficit allocation). A quota of 10,000 tons of refined sugar (without growth or deficit allocations) is set aside to be distributed at the direction of the Secretary of Agriculture. The remainder is divided among other foreign quota countries according to the percentage share of each:

Estimated U.S. consumption	9,700,000
Domestic producers	5,810,000
Philippines	1,050,000
U.K., Belgium, Canada, Hong Kong, and reserve (intended for Ireland).	11,332
Subtotal.	6,871,332
Balance for foreign distribution	2,828,668

Distribution:	Percentage allocation	Tonnage
Peru.	6.71	189,804
Dominican Republic.	6.71	189,804
Mexico	6.71	189,804
Brazil.	6.37	180,186
British West Indies.	3.19	90,234
Australia.	1.41	39,884
Republic of China (Formosa).	1.24	35,075
French West Indies.	1.06	29,984
Colombia.	1.06	29,984
Nicaragua . . . . .	.88	24,892
Costa Rica . . . . .	.88	24,892
Ecuador . . . . .	.88	24,892
India. . . . .	.71	20,084
Haiti. . . . .	.71	20,084
Guatemala. . . . .	.71	20,084
South Africa. . . . .	.71	20,084
Panama. . . . .	.53	14,992
El Salvador . . . . .	.36	10,183
Paraguay. . . . .	.35	9,900
British Honduras . . . . .	.35	9,900
Fiji Islands . . . . .	.35	9,900
Netherlands. . . . .	.35	9,900
Subtotal.	42.23	1,194,546
Cuba.	57.77	1,634,122
Total	100.00	2,828,668

(In effect, 35 percent of market growth is divided among these countries, according to the same formula.)

Established a formula governing imports of sugar from countries other than the Philippines during the period June-December 1962.

Suspended the quota of any country with which the United States was not in diplomatic relations (Cuba), or any country from which the purchase of sugar was not in the national interest, as defined by the President.

Allowed importation of sugar under suspended quotas (such as Cuba's) from any friendly country, subject to payment of an import fee. Preference would be given to countries in the Western Hemisphere and countries purchasing U.S. agricultural commodities. The import fee would equal the difference between the domestic price

for raw sugar and the world market price, delivered to the U.S.

Set an import fee for sugar imported under regular country quotas in 1962 of 10 percent of the difference between the domestic price for raw sugar and the world market price, delivered to the U.S. Raised the fee in 1963 to 20 percent of the difference; in 1964, 30 percent. Refined sugar imports would be subject to an additional one-tenth of a cent per pound fee in 1962, two-tenths in 1963 and three-tenths in 1964.

Provided that deficits arising from the inability of any domestic or foreign area to fulfill its quota would be proportionately divided between the Philippines and other friendly foreign quota countries except the U.K., Belgium, Canada, Hong Kong, and countries receiving the reserve allocation of 10,000 short tons. If necessary, deficits could be filled by any friendly country.

Required the Secretary of Agriculture to reduce the quota of any country, with a quota or non-quota allocation of more than 10,000 tons, which failed to meet its quota by more than 10 percent during a year in which the world price for sugar at any time exceeded the domestic price, unless he determined that the failure was due to crop disaster or force majeure, or that the reduction would be contrary to the objectives of the Act (to maintain a steady supply of sugar at stable prices). The reduction would equal the amount of the country's deficit.

Prohibited imports of sugar from countries which themselves imported more sugar than they exported to countries other than the United States; established a formula for reducing the quota of any country which violated this provision, and required quotas to be filled with locally grown sugar.

Made the sugar content of any product or mixture that did not have a history of importation during three years between 1955 and 1960 subject to the quota restrictions of the Act, at the discretion of the Secretary.

Established formulas governing the amount of refined sugar which could be imported from Hawaii and Puerto Rico, and permitted import of 56,000 tons of refined sugar under the Philippine quota annually.

Eliminated the provision in the current Cuban quota allowing entry of 375,000 tons of refined sugar.

Limited other imports of refined sugar as follows: from countries with quotas of 20,000 tons or less, the average amount imported from such countries during 1957-59; from countries with quotas of more than 20,000 tons, nothing. No refined sugar could be imported to replace deficits.

Required that all "non-quota" sugar be imported in raw form, unless it were not "reasonably available."

Defined "alcohol" as including polyhydric alcohols, under the provisions of the Sugar Act exempting sugar used in the manufacture of alcohol from quota provisions.

Established a new quota for liquid sugar (molasses) imported from foreign countries.

Gave the President discretion to suspend the quota of any country which divided its quota so as to discriminate against U.S. citizens.

Required the President, unless he determined it inconsistent with the national interest, to suspend the quota of any country which expropriated, nationalized or seized control of property belonging to United States citizens, or which imposed on U.S. property or citizens discriminatory taxes or restrictive maintenance or operational conditions, and which had not taken "appropriate" steps to redress its action.

Floor Action - 4

SENATE DEBATE OPENS ON MEDICARE, WELFARE PROPOSALS

The Senate July 2 began debate on a new compromise plan for medical insurance for the aged financed through the Social Security system. The new version was offered June 29 by Sen. Clinton P. Anderson (D.N.M.), sponsor of the Kennedy Administration's own medical care bill (S 404), as an amendment to the House-passed Administration welfare bill (HR 10606).

The compromise was developed on the initiative of Anderson and Majority Whip Hubert H. Humphrey (D Minn.) who apparently felt they had waited long enough for the House Ways and Means Committee to act on HR 4222, the House version of the Administration health care bill. (Revenue measures, such as HR 4222, traditionally originate in the House.) Although Health, Education and Welfare Secretary Abraham A. Ribicoff reportedly objected to use of the welfare bill as a vehicle for passing the health care proposals, the Administration agreed to the Senators' plans and approved the compromise provisions.

The compromise was worked out primarily by Anderson and Sen. Jacob K. Javits (R N.Y.), sponsor of a different Social Security medical care bill (S 2664). It incorporated the following GOP proposals: insurance of 2½ million aged persons not covered by Social Security; a separate Federal Health Insurance Trust Fund; permission to use an organization such as Blue Cross as a channel of communications between HEW and providers of services; and an option for federal health insurance beneficiaries to elect to have benefits paid by a private insurance company which would be reimbursed by the Trust Fund.

The medicare amendment was co-sponsored by 21 Democrats and five Republicans: Democratic Sens. Anderson, Humphrey, Douglas (Ill.), Magnuson (Wash.), Pell (R.I.), Hartke (Ind.), Burdick (N.D.), McCarthy (Minn.), Morse (Ore.), Neuberger (Ore.), Engle (Calif.), Moss (Utah), Pastore (R.I.), Long (Hawaii), Jackson (Wash.), Long (Mo.), Hart (Mich.), Randolph (W.Va.), Metcalf (Mont.), McGee (Wyo.) and Clark (Pa.); Republican Sens. Javits, Case (N.J.), Kuchel (Calif.), Keating (N.Y.) and Cooper (Ky.). Case was the only Republican to vote for the Social Security medical care bill considered in the Senate in 1960. (1960 Almanac p. 148)

BACKGROUND -- HR 10606 was passed by the House March 15 and reported (S Rept 1589) June 14 by the Senate Finance Committee. (Weekly Report p. 1059; for medical care fact sheet see Weekly Report p. 795)

PROVISIONS -- As introduced, the proposed health insurance amendments to HR 10606 added a new Title XVII to the Social Security Act as follows:

General Provisions

Declared that heavy hospital costs are a "grave threat" to the security of the aged; that most aged persons are unable to qualify for and afford adequate private health insurance; that many are forced to apply for private or public aid to the detriment of hospitals, welfare agencies and general revenues; and that it is in the general welfare for financial burdens of the aged that result from hospital costs to be met primarily through social insurance.

Declared that the title would: provide basic social insurance against the costs of hospital care, skilled nursing facility services, home health services and outpatient hospital diagnostic services which could be easily supplemented by state or private insurance; assure adequate and prompt payment to providers of services; be consistent with the dignity of the individual without interfering with free choice of physicians, health personnel or facilities and without providing federal supervision over provision of services; and provide insurance to OASI and railroad retirement recipients through those systems while extending federal health insurance to certain uninsured persons from the general federal revenues.

Declared that where possible skilled nursing facility services should be used in lieu of inpatient hospital services, and home health services should be used in lieu of hospital services or nursing services.

Declared that the title did not permit any federal supervision or control over the practice of medicine; over the selection, tenure or compensation of any officer or employee of any hospital, nursing facility or home health agency; or over the operation of any such institution.

Declared that the title did not preclude the states from providing, or any individual from securing, additional health insurance.

Stipulated that any individual eligible for federal health insurance could secure the benefits from any provider of services who had made an agreement with the Government under the title.

Services

Defined inpatient hospital services as bed and board, nursing and related services, drugs and supplies and diagnostic or therapeutic items as are customarily furnished to inpatients. Stipulated that federal insurance for such services excluded medical or surgical services provided by a physician, resident or intern and the services of a private duty nurse but included services in the field of pathology, radiology, psychiatry or anesthesiology and services provided by an intern or resident under a teaching program approved by the Council on Medical Education and Hospitals of the American Medical Assn.

Defined skilled nursing facility services as care furnished to a patient in such a facility after transfer from a hospital including: nursing care under supervision of a registered professional nurse, bed and board, physical, occupational or speech therapy, medical social services, drugs and supplies, and medical services provided by an intern or resident of a teaching hospital affiliated with the nursing facility.

Defined home health services as care furnished to a patient in his home by a home health agency under a plan reviewed by a physician including: part-time nursing care under the supervision of a registered nurse, physical, occupational or speech therapy, medical social services, medical supplies other than drugs, and certain services performed by an intern or resident.

Defined outpatient hospital diagnostic services as services customarily furnished to an outpatient by a hospital, excluding services that could not be furnished to an inpatient under the title.

Provided that federal health insurance would pay for:

- Inpatient hospital services for up to 90 days of care during a single period of illness. The patient would be required to pay \$10 per day for up to nine days during each benefit period, with the minimum payment set at \$20.

- Skilled nursing home services for up to 180 days.
- Home health services for up to 240 visits during a calendar year.

- Outpatient hospital diagnostic services. The patient would be required to pay \$20 of any services during each 30-day period.

Provided that as of Jan. 1, 1964 every person who was at least 65 and was entitled to monthly OASI benefits would be eligible for federal health insurance benefits. (For others made eligible, see Extension of Benefits, below)

Requirements

Required that to receive federal funds for treating persons covered by federal health insurance:

- A hospital must be accredited by the Joint Commission on the Accreditation of Hospitals or be licensed or approved for licensing under state law.

- A nursing home must be affiliated with a hospital.

- A nursing home facility or home health agency must be licensed or approved for licensing under state law and must meet other conditions set down by the HEW Secretary.

- A hospital or nursing home facility must operate under a "utilization review plan" that reviews admissions to the institution, duration of stays and medical services furnished with a view to promoting efficient use of services and notifying patients that a further stay in the institution was not medically necessary.

Payments

Provided that the Government could make payments for services furnished an insured individual to eligible providers of services when: a written request was filed by the individual and a physician certified that the services were required.

Stipulated that the amount paid to the provider of services must be the reasonable cost of such services as determined by regulations set down by the HEW Secretary establishing the methods to be used in determining such costs.

Required any provider of services to file an agreement stating that he would not charge a patient for services covered under the title and would return any money incorrectly collected.

Created a Health Insurance Benefits Advisory Council, consisting of 14 members, none of them federal employees, to advise the Secretary in formulating regulations under the title.

Authorized the Secretary to enter into an agreement with any organization (such as Blue Cross) designed by any group of providers of services to receive payments on behalf of the providers.

Permitted the Secretary to include in his agreement with the organization provision that it would also: serve as a channel of communication between the providers and the Secretary; audit the records of the provider to assure that proper payments were made; and assist in preventing unnecessary utilization of services.

Private Health Insurance Option

Enabled federal health insurance beneficiaries, within three months after they became entitled to benefits, to elect to have benefits paid by a private insurance company.

Provided that the company would be reimbursed for benefit payments and administrative costs by the Federal Health Insurance Trust Fund.

Permitted the private health insurance option when:

- The private insurance policy had been in effect for three months for persons who became eligible for benefits between Jan. 1, 1964 and March 31, 1964; had been in effect since Jan. 1, 1964 for persons who became eligible between April 1, 1964 and Dec. 31, 1968; and had been in effect for five years for persons who became eligible thereafter.

- The private insurance policy provided coverage equal to that provided by the Government plan plus "some additional health services."

- In the case of individual policies, the private insurance company was non-profit and state-licensed or was licensed in all states and doing 1 percent of the health insurance business throughout the nation or was found by the Secretary to be national in scope, or did 10 percent of the health insurance business in one particular state.

- In the case of group health policies, the company was state-licensed.

Financing

Increased the Social Security tax by one-fourth of one percent each for employees and employers and by three-eighths of one percent for the self-employed, effective Jan. 1, 1964.

Increased the Social Security tax base from \$4800 to \$5200, effective Jan. 1, 1963.

Created a Federal Health Insurance Trust Fund to receive after Jan. 1, 1964 .68 percent of payroll collected under Social Security taxes (.50 percent from the increase in the tax and .18 percent from the increase in the tax base), or 8.8 percent of the Social Security tax.

Authorized appropriations to cover costs incurred by the payments from the Trust Fund of health benefits for persons not currently eligible for OASI benefits.

Raised the maximum individual OASI retirement insurance benefit from \$127 per month to \$134 per month and raised the maximum family benefit from \$254 per month to \$268 per month.

Extension of Benefits

Amended the 1937 Railroad Retirement Act to extend the insurance provided for OASI beneficiaries to railroad retirement recipients and to provide for an equivalent increase in the railroad retirement tax.

Extended the federal health insurance to persons currently not insured for OASI who attain three quarters of Social Security coverage for each calendar year between 1965 and the time they reach 65.

Stipulated that health insurance would not be extended to any member of a subversive organization, U.S. employee, or beneficiary of the Federal Employees Health Benefits Act of 1959 or the Retired Federal Employees Health Benefits Act.

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SUPPLEMENTAL AIRLINES

The House by a 337-0 roll-call vote and the Senate by voice vote June 29 agreed to a conference report (H Rept 1950) on a bill (S 1969) giving the Civil Aeronautics Board permanent authority to license and regulate supplemental (non-scheduled) airlines. (For voting, see chart p. 1156)

The bill was initially passed by both houses late in the 1961 session and again by the Senate March 8, with new amendments, and sent to conference March 14. There it was caught in a bitter stalemate for over three months before Senate conferees finally gave in to the House conferees' less favorable position toward the supplementals. The chief points in dispute were Senate provisions permitting supplementals to provide individually ticketed services on a permanent basis and broadening charter service to include all-expense-paid tours. The House version authorized individually ticketed flights only in exceptional circumstances and did not include the all-expense-paid tours provision. The conferees generally adopted the House version but permitted supplemental carriers that had provided individually ticketed services during the past three years to continue to do so for two more years, in the interest of orderly transition to all-charter operations. The bill permitted the CAB to authorize supplementals to provide limited individually ticketed services on a temporary basis (for example, to meet special heavy traffic demands at holiday and vacation times.)

PROVISIONS -- As sent to the President, S 1969:

Authorized the CAB to license supplemental carriers to engage in charter services.

Permitted any supplemental airline which had carried passengers or freight on an individually ticketed basis in the past three years to continue to do so for two more years, but stipulated that the annual gross revenue from such services could not exceed the supplemental's average from such services in 1959, 1960 and 1961.

Authorized the CAB to abolish the current operating authority of every supplemental carrier within 90 days of the bill becoming law, and gave CAB power to issue certificates or interim operating authority only to those supplemental carriers it found able to operate under the fitness requirements authorized by the bill.

Provided the CAB with powers to safeguard the public against safety and economic abuses by supplementals, including power to: limit the number and scope of supplemental carriers; require the supplementals to furnish bonds and/or carry liability insurance; prescribe the minimum service for a supplemental; suspend or revoke certificates for failure to provide minimum service or meet set financial standards including liability insurance; impose a civil penalty of not more than \$1,000 per day for each day of any violation of set requirements.

Amended the civil penalty section of the Federal Aviation Act by authorizing penalties, for certificated route carriers as well as supplementals, of up to \$1,000 per day for each violation of economic provisions of the Act administered by the CAB and for each violation of safety provisions administered by the FAA.

Permitted any air carrier other than a supplemental (for example, air cargo carriers) to provide charter services under regulations prescribed by the CAB.

Prohibited supplementals from carrying mail except under special CAB authorization for a temporary period, for which no subsidy could be paid.

DEBATE -- June 29 -- Sen. A.S. Mike Monroney (D Okla.) -- The conference report "contemplates a supplemental air carrier industry much more limited in terms of its role in air transportation than that which was envisioned by the (Senate Commerce) Committee and endorsed by the Senate." But in conference "it became apparent that the only way legislation could be obtained was by accepting the House provision limiting these carriers to charter operations."

Rep. Harold R. Collier (R Ill.) -- The "law is well established that, in air transportation, charter means essentially the lease of the entire capacity of an aircraft for a period of time or a particular trip," and "does not include solicitation of the general public or any device where individually ticketed services would be offered or performed under guise of charter."

BACKGROUND -- S 1969 originally was intended to replace a temporary law (PL 86-661), which expired March 14, 1962, authorizing licenses for supplementals. The Senate March 8, in passing S 1969 a second time, added amendments strengthening CAB control over non-skeds. (Weekly Report p. 430) House conferees agreed on the tighter control provisions but opposed the other Senate provisions.

SHIPBUILDING SUBSIDIES

The House July 2 passed by a roll-call vote of 293-5 and sent to the Senate a bill (HR 11586) extending for three years a provision, due to expire July 7, which set a temporary 55 percent, instead of 50 percent, ceiling on Government cost-differential subsidies for domestic ship construction and conversion. (1960 Almanac p. 268) In addition, the bill raised to 60 percent the ceiling on subsidies for reconstruction and reconversion of passenger ships. (For voting, see chart p. 1156)

The bill was passed under suspension-of-the-rules procedure, which forbids floor amendments.

The Commerce Department, which administers ship subsidies, opposed the bill. In a March 16 letter to Chairman Herbert C. Bonner (D N.C.) of the House Merchant Marine and Fisheries Committee, Under Secretary Edward Gudeman said the Department would approve a one-year extension of the 55 percent subsidy limit while efforts were made to get ship operators to hold costs down to a 50 percent subsidy. He strongly opposed a higher subsidy for reconstruction of ships, saying U.S. merchant marine policy "is better served by the construction of new ships than by the reconstruction of existing ships."

The Committee report (H Rept 1938), filed June 27, recommended a three-year extension of the 55 percent subsidy. It justified a 60 percent ceiling for reconditioning passenger ships on the grounds that the work requires higher labor costs than does construction, "due to the necessity of tearing out and changing existing structure as well as construction with new material."

In addition to the subsidy ceilings, the bill:

Directed the Secretary of Commerce to pay, in addition, the cost of vessel parts added for national defense uses.

Directed the Secretary to report any evidence of collusion in bidding.

Stipulated that the provisions were effective for construction of ships whose keels were laid after June 30, 1959 or contracts for the reconstruction or reconditioning of ships made after that date.

REFUGEE ASSISTANCE ACT

The House and Senate June 27, by voice votes, agreed to the conference report (H Rept 1923) on an Administration bill, the Migration and Refugee Assistance Act of 1962 (HR 8291).

BACKGROUND -- As passed by the House Sept. 6, 1961, HR 8291 embodied President Kennedy's request for legislation to continue and centralize the authority for U.S. assistance to refugees fleeing political, religious or racial persecution. The bill lifted out of foreign aid legislation and established in a separate statute authority for the U.S. to operate the U.S. Escapee Program (USEP), and a program of aid to Cuban refugees in the U.S. and to participate in programs run by the Intergovernmental Committee for European Migration (ICEM) and the United Nations High Commissioner for Refugees (UNHCR).

The Senate version, passed Sept. 15, 1961, broadened the House bill. It authorized federal grants to state and local health, employment and educational services for aid to refugees in the U.S. and authorized aid in transporting refugees beyond their point of entry and resettling them in other areas. Both the House and Senate bills authorized the President to delegate his refugee functions only to persons appointed by him with Senate approval, but the Senate version made the Administrator of the State Department's Bureau of Security and Consular Affairs subject to Senate confirmation so that he could continue his refugee program activities. (For complete comparison of bills, see 1961 Almanac p. 345)

The House Sept. 21 disagreed to the major Senate amendments. The Senate the same day asked for a conference and appointed its conferees, but House conferees had not been appointed when Congress adjourned for the year Sept. 27.

After Congress reconvened in 1962 the House March 13 passed a new bill (HR 10079) abolishing the State Department's Bureau of Security and Consular Affairs and reassigning its functions, and centralizing authority for U.S. participation in refugee programs. The refugee provisions were almost identical to the broader provisions the Senate inserted in HR 8291 in 1961. (Weekly Report p. 425)

The Senate took no action on HR 10079. However, it added to the President's foreign aid bill (S 2996), passed June 7, a new title dealing with refugee programs. The new title also was almost identical to the Senate provisions of HR 8291. (Weekly Report p. 1007)

The House June 19 appointed conferees on HR 8291, the 1961 bill. As sent to the President the provisions of the bill, like the refugee provisions of HR 10079 and S 2996, differed only in minor detail from the provisions of HR 8291 as originally passed by the Senate. Rep. Francis E. Walter (D Pa.), manager of the House bill, had withdrawn his opposition both to the broader refugee-aid provisions of the Senate and to retention of the State Department's Bureau of Security and Consular Affairs (Weekly Report p. 28) which was expected to be headed by a new administrator who would have to be confirmed by the Senate.

Walter said June 27 that the new Act could not be used to admit to the U.S. Chinese refugees who had fled to Hong Kong. (See p. 1152)

PROVISIONS -- As sent to the White House HR 8291, the Migration and Refugee Assistance Act of 1962:

Authorized the President to continue U.S. membership in the Intergovernmental Committee for European Migration.

Authorized appropriations necessary for:

U.S. membership in the ICEM;

U.S. contributions to the United Nations High Commissioner for Refugees;

Aid to refugees designated by the President; aid to refugees in the U.S. who fled from a Western Hemisphere nation, cannot return because of fear of persecution, and are in urgent need of assistance;

Grants to state and local health, employment and educational services for refugee aid;

Transportation and resettlement of refugees in the U.S.;

Employment projects or refresher employment training of refugees in the U.S.

Authorized the President to use annually up to \$10 million of funds made available under the Foreign Assistance Act, to meet unexpected refugee developments.

Authorized use of unexpended funds made available under the Mutual Security and Foreign Assistance Acts for the purposes of the Refugee Act.

Authorized the President to designate any official subject to Senate confirmation to carry out the functions conferred on him by the Act.

Provided that appointment of the Administrator of the Bureau of Security and Consular Affairs be subject to Senate confirmation.

EXPORT CONTROL ACT

The Senate June 29 and the House June 30 by voice votes approved a conference report on a bill to amend and extend the Export Control Act of 1949, which was scheduled to expire June 30 (S 3161 -- H Rept 1955). As approved by Congress, S 3161 extended the Act for three years, directed the Executive Branch to place more stress on the economic effects of exports to the Soviet bloc, and raised penalties. The President signed the bill into law July 1 (PL 87 -- 515).

A prior conference report (H Rept 1949) extending the Act without amendment for one year was rejected by the Senate June 28, by a roll-call vote of 44-33. Conference reports are rarely rejected. (For voting, see chart p. 1154)

As originally passed by the Senate June 23, the export control bill contained a committee amendment calling for more concerted action by non-Communist bloc, and amendments by Sen. Kenneth B. Keating (R N.Y.) raising penalties for certain infractions of the Act and declaring it the sense of Congress that the U.S. should make more use of trade as an economic weapon against the Communist bloc. The House bill, on the other hand, raised penalties for all infractions of the Act and barred any export to the Communist bloc unless the President found that it would not aid the recipient country economically or militarily. The Administration had asked that the Act be made permanent, without any amendments. (Weekly Report p. 1094)

The Administration opposed all of the amendments, and the State Department was particularly strong in its opposition to the House amendment requiring a Presidential finding before an export could be shipped. (The Act is administered by the Commerce Department but the State Department is consulted on all policy aspects.)

(Continued on next page)

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In the first conference on the bill, Senate conferees offered a compromise amendment to lessen the burden the House amendment placed on the President; the compromise proposed that an export should be stopped if the President found that it would be detrimental to the national security of the U.S. House conferees, however, rejected this amendment, and a one-year simple extension was decided on. This met the Administration desire that if the Act were to be extended rather than made permanent, the renewal date should come in a non-election year, when Congressmen would feel less impelled to use the Export Control Act as a means of displaying their strong anti-Communist positions.

On the Senate floor June 29 Keating moved that the first conference report (H Rept 1949) be rejected, arguing that it "does violence to the spirit of the action in both houses on this bill." "It is a severe blow to those of us who have been trying to put muscle into the effort of the United States to combat Communist economic warfare tactics," he said. Wayne Morse (D Ore.) said that neither the House nor the Senate, but rather the State Department had won in conference. "The State Department does not want any restrictions imposed upon it in this field," Morse said. "This is not consistent with my conception of our system of checks under our constitutional form of government."

The second conference of the House and Senate agreed on language close to that which the House conferees had rejected in the first conference, and increased penalties under the Act. Unlike the original House provision, the new language did not require the President to consider each export and attest that it would not contribute to the economic or military potential of the recipient country. Instead, the President (or those to whom he delegated authority) could find that a particular shipment would so contribute, and prohibit the export. The second conference also extended the Act for three years and the bill's managers said it was their intention that it be extended for four-year periods after that.

PROVISIONS -- As sent to the President, S 3161: Extended the Export Control Act for three years, through June 30, 1965.

Made a declaration of Congress that it is the policy of the U.S. to formulate East-West trade policies that will have the cooperation of U.S. allies and non-aligned nations.

Made a declaration of Congress that the U.S. should "use its economic resources and advantages in trade with the Communist-dominated nations to further the national security and foreign policy objectives" of the U.S.

Barred the shipment of any articles or technical data to "any nation or combination of nations threatening the national security" of the U.S. if the President determines that the export "makes a significant contribution to the military or economic potential of such nation or nations which would prove detrimental to the national security and welfare of the United States."

Raised the penalty for those who "wilfully" shipped prohibited goods "with knowledge" that the exports would be used "for the benefit of any Communist-dominated nation" to a fine of five times the value of the exports involved or \$20,000, whichever is greater, or imprisonment for five years, or both. (Under existing law, all violations could be penalized by \$10,000 or one year in prison, or both.)

Left existing penalties in effect for other violations of the Act -- such as in the requirements for reporting or for filling out forms -- but raised the penalties for second offenders in this category to a fine of three times the value of the exports involved or \$20,000, whichever is greater, or imprisonment for five years, or both.

CLEAR CHANNEL RADIO

The House July 2 adopted by a 198-87 roll-call vote a resolution (H Res 714) expressing the sense of the House that the Federal Communications Commission should permit the 25 existing clear channel AM radio stations to operate on power in excess of the current 50 kilowatt limit, if in the public interest, convenience or necessity. It also urged the FCC to declare a one-year moratorium on the commission's plan to permit two stations to operate on (duplicate) at least 13 of the existing clear channels. (For voting, see chart p. 1156)

BACKGROUND -- In 1928 Congress authorized use of 40 of the 107 standard broadcast frequencies (spaced 10 kilocycles apart from 540 to 1600 kilocycles) as clear channels, each to be licensed for night broadcasting by only one station in the country. The FCC licensed 25 stations to operate on the clear channels.

Clear channel stations provide service to large areas after sunset through the use of skywave signals which are ineffective for daylight broadcasting, but at night are reflected back to earth by the ionosphere great distances from the original transmission point. Stations providing groundwave service, in which the waves follow the curvature of the earth, have smaller service areas at night than during daylight due to mutual interference.

In 1938 (S Res 294, 75th Congress) the Senate adopted a resolution urging the FCC to limit all stations on the standard broadcast band to 50 kilowatts and the FCC has abided by that ruling ever since. In 1961 the FCC ordered duplication -- two stations instead of one -- on 13 of the existing 25 clear channels.

H Res 714 was reported (H Rept 1954) June 29 by the House Interstate and Foreign Commerce Committee. The report said the FCC had opposed legislation similar to H Res 714, but had requested policy guidance from Congress on the question of higher power. In debate Chairman Oren Harris (D Ark.) said the FCC opposed any interference with its attempts to duplicate stations on clear channels.

Debate on H Res 714 centered on the increase in power for the current clear channel stations. Rep. Paul C. Jones (D Mo.), an official and part owner of station KBOA in Kennett, Mo., said it would interfere with the operations of stations on nearby frequencies, would have injurious economic effects on stations operating with less power and would concentrate social, economic and political power in the hands of a few broadcasting interests.

Harris said the power increase would not interfere with the technical operation of less powerful stations and would provide needed broadcast services to 26 million people in underserved remote rural areas of the U.S. He said the increased power could be of military importance.

RELATED DEVELOPMENT -- The House July 2 passed by voice vote and sent to the Senate a bill (HR 4749 -- H Rept 1870) to permit daytime radio stations to begin operations at least at 6 a.m. regardless of whether

the sun had risen or not. Stations whose operating time was not limited would have to prove to the FCC that presunrise operation by a daytime station interfered substantially with their operation in order to nullify the new schedule. Supporters of the bill said it would permit small daytime stations in remote areas to provide needed weather, news and information prior to sunrise during winter months.

PACIFIC TRUST TERRITORY

The House July 2 passed, by a roll-call vote of 281-14, and returned to the Senate with an amendment a bill (S 2775) increasing authorized funds for administration of the Trust Territory of the Pacific Islands (Northern Mariana, Caroline and Marshall Islands). The bill raised the authorization for the territory, held in trusteeship for the United Nations, from \$7.5 million to \$17.5 million and set a ceiling of \$15 million on funds to be appropriated in fiscal 1963. (For voting, see chart p. 1156)

Rep. Leo W. O'Brien (D N.Y.), floor manager of the bill, said increased funds were needed for utilities, docks, airstrips, hospitals and "an accelerated elementary school program" that local communities were not able to undertake.

BACKGROUND -- The ceiling on funds for the Trust Territory was placed at \$7.5 million in 1954. The Interior Department Jan. 19 requested removal of the ceiling and in passing S 2775 March 5, the Senate increased the ceiling to \$15 million. In reporting the bill June 27 (H Rept 1936) the House Interior and Insular Affairs Committee, recognizing "the urgency for constructing additional educational building facilities," recommended raising the ceiling to \$17.5 million with expenditures in fiscal 1963 limited to \$15 million.

RENEGOTIATION ACT

The Senate June 29 passed by voice vote and returned to the House an amended bill (HR 12061) to extend the Renegotiation Act of 1951 for two years. The Senate rejected two amendments recommended by its Finance Committee and agreed to one. (See below)

The House June 30 concurred by voice vote in the Senate amendment, which permitted appellate review of renegotiation cases, and sent the bill to the President, who signed it into law July 3 (PL 87-520). The House June 18, in passing HR 12061, provided only for a two-year extension of the Act. (Weekly Report p. 1066)

The Renegotiation Act prescribes a method by which the Government may regain "excessive profits" charged by private firms on defense contracts and related sub-contracts with certain specified departments.

PROVISIONS -- As signed by the President, HR 12061:

Extended from June 30, 1962 to June 30, 1964 the Renegotiation Act of 1951.

Provided for review by the U.S. courts of appeals of Tax Court decisions in renegotiation cases filed after enactment of the bill but denied circuit court rulings on findings of fact by the Tax Court, unless arbitrary or capricious, and limited the circuit courts to affirming or reversing Tax Court decisions on material questions of law.

Senate Action

The Committee amendment adopted by the Senate June 29 allowed contractors the right to appeal renegotiation decisions of the Tax Court to U.S. circuit courts of appeals. Previously, if the Renegotiation Board, which is charged with operating the renegotiation process, ruled that a company had excessive profits, the company could appeal only to the Tax Court. Under the new provision, appellate courts were permitted to review Tax Court decisions but only legal questions involving interpretations and application of the provisions of the Renegotiation Act. The existence or extent of excessive profits were exempted from appellate court review and Tax Court findings of fact were made conclusive unless they were arbitrary or capricious. The appellate court could only affirm or reverse Tax Court decisions on questions of law and remand the cases to the Court.

In Senate debate, Vance Hartke (D Ind.) criticized the amendment as taking questions of excessive profits into courts of appeals. Supporters of the proposal denied Hartke's claim. Herman E. Talmadge (D Ga.), who sponsored the amendment in Committee, said it would give "American citizens...an absolute right of legal appeal on a legal question in a court of law." In explaining the amendment to the House June 30, Rep. Wilbur D. Mills (D Ark.) said the chairman of the Renegotiation Board and the Deputy Attorney General told him the provision was workable and would not impose unreasonable burdens upon anyone, although they preferred not to have it included in the extension act.

After sharp debate, two other Finance Committee amendments were rejected. One, sponsored by John Marshall Butler (R Md.), would have prevented Government agencies under the Act from inserting profit-limitation provisions in contracts which are subject to renegotiation. It was rejected on a 26-46 roll-call vote. (For voting see chart p. 1154)

Albert Gore (D Tenn.) said it was "most ill-advised and distinctly contrary to the public interest to deny to Government agencies the right to protect the public interest, the taxpayers' money, with a provision limiting profits under a contract." He said, "Those in favor of excess profits will vote 'yea'" Butler said Gore had made "a very grave implication" against him and the Finance Committee majority. He urged support of the amendment "so that these few contractors, out of the many thousands who contract with the Government, will not be renegotiated twice; that they will not be subject to arbitrary opinions by a statutory bureaucrat" and then still face possible action by the Renegotiation Board. He noted the proposal was adopted by the Senate in the 1959 extension of the Act but was rejected in the House pending further study.

The other Finance Committee amendment, which was rejected on a 28-38 roll call, would have expanded a provision in the Act which exempts from renegotiation standard commercial articles and services. These are items customarily maintained in stock or sold on a regularly established price list. The amendment would have exempted commercial articles and services which are leased -- as well as sold -- to the Government.

Paul Douglas (D Ill.) led the attack on the amendment. He said the Government in fiscal 1962 spent more than \$225 million in leasing electronic data processing machines and punch-card systems equipment. Some companies, particularly the International Business Machines

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Corp., usually lease rather than sell their equipment, he said. "As I see it, this amendment, which might be called an IBM amendment, although I shall not so designate it, would result in great profits being made, profits which could never be resurveyed or recaptured," he said. The only support for the provision came from Wallace F. Bennett (R Utah), who had originally sponsored it. He defended it as a logical extension of the exemption on standard "sold" items and doubted that all IBM machinery could qualify because "most of it is engineered for a specific application and a specific customer."

BACKGROUND -- The Senate Finance Committee held executive hearings prior to reporting the bill June 28 (S Rept. 1669). In debate some Senators criticized the executive hearings and "final hour amendments" which were attached without public testimony. Douglas opposed the three amendments in a minority statement in the report.

ANTI-CRIME BILL

The House June 29, by a 348-1 roll-call vote, passed with Committee amendments and sent to conference a bill (S 1658) banning the interstate transportation of gambling machines, except to gambling establishments where betting was legal under state law. Rep. Katharine St. George (R N.Y.) cast the sole vote in opposition to the bill. (For comparison of House and Senate bills, see Weekly Report p. 1095; 1961 Almanac p. 381)

The bill was one of several proposed in 1961 by Attorney General Robert F. Kennedy to combat organized crime. During House debate supporters said the bill's purpose was to lessen the revenue gained by crime syndicates through control of the operation of numerous gambling devices and to assist the states in enforcing laws making the possession, sale or use of gambling devices illegal.

PROVISIONS -- As passed by the House, S 1658:

Broadened the 1951 ban on interstate transportation of gambling devices to include foreign commerce and any machines, including roulette wheels, which were designed and manufactured primarily for gambling and which might, directly or indirectly, as a result of the application of an element of chance, deliver money or property to the gambler.

Exempted from the ban: any machine transported to licensed gambling establishments where betting was legal under applicable state laws;

Machines designed and manufactured primarily for parimutuel betting at a racetrack; coin-operated bowling alley, shuffleboard, marble machines (pin-ball machines) or mechanical guns not designed and manufactured primarily for use in gambling; and claw, crane or digger machines which operated by crank and were designed and manufactured primarily for use at carnivals or state fairs.

Required manufacturers, distributors, repairers or sellers of gambling devices in interstate commerce to register annually with the Attorney General, giving their names, business addresses and the place where required business records were located.

Required gambling machine manufacturers to number and label each gambling device and to keep records listing the sale or delivery of each machine for five years.

Made it illegal to sell, deliver or own any machine which was not properly marked or to remove or alter the marking of a machine.

Required a registrant to produce records regardless of possible self-incrimination, but prohibited, upon his assertion of the privilege of self-incrimination, his subjection to any penalty as a result of the inspected records, except for crimes of perjury or contempt.

Made the Act effective 60 days following its enactment.

SMALL BUSINESS LOANS

The House July 2 passed by voice vote and returned to the Senate an amended bill (S 2970) to increase by \$735 million the authorization for the Small Business Administration's revolving fund and to empower the SBA to make loans to firms injured by imports as provided in the Trade Expansion Act of 1962 (HR 11970) which was passed by the House June 28 (Weekly Report p. 1083)

The new SBA authorization under the House bill would be \$1,935,000,000. The amount was less than the \$2.6 billion authorization recommended by the House Banking and Currency Committee in a report June 16 on HR 12121 (H Rept 1830, Weekly Report p. 1054) The lower figure was put into HR 12121 by a committee amendment shortly before House action. Another committee amendment removed a proposed consolidation of the ceiling limitations on the SBA programs, except for disaster loans.

On the floor, the House first passed HR 12121, as amended, and then substituted the language of that bill for the language of a similar bill (S 2970) which had been passed by the Senate June 14. (Weekly Report p. 1054)

As passed by the House, the bill provided \$1,434,000,000 for regular business and prime contract loans (compared to \$725 million under current law), \$160 million for disaster loans (currently \$150 million) and \$341 million for Small Business Investment Corporation (SBIC) programs (currently \$325 million).

Originally, the House Committee intended to give SBA sufficient authorization to operate all its programs through 1966. The effect of the committee amendments, however, was to provide an SBIC authorization sufficient only to continue through 1963. Members of the Committee reportedly preferred to have a yearly review of the SBIC program because it was still relatively new.

The import injury fund would be financed by annual appropriations but not by additions to the SBA revolving fund. The bill expressly provided that "this authority shall be in addition to and separate from its authority to make loans under the Small Business Act." The SBA could make loans with maturities up to 25 years to firms of all sizes and without restriction on amount.

In House debate, Wright Patman (D Texas), chairman of the Small Business Subcommittee of the Banking and Currency Committee, said there was "an urgent need for this legislation" because the Appropriations Committee, which must have an authorization first, was considering the SBA's fiscal 1963 request.

BACKGROUND -- The bill passed by the Senate June 14 increased the authorization by \$250 million to \$1,450,000,000. It combined in a single revolving fund the SBA's disaster loan authority and regular business loan and prime contracting authority with an authorization of \$1,109,000,000 and provided a \$341 million authorization for SBIC programs.

DEBT LIMIT

The Senate June 28 passed by a 55-34 roll-call vote a bill (HR 11990 -- S Rept 1634) temporarily increasing the public debt limit to \$308 billion beginning July 1, 1962. (For voting, see chart p. 1154) The bill allowed for gradual reduction of the ceiling to \$300 billion by June 30, 1963. The Senate action sent the bill to President Kennedy who signed it into law July 1 (PL 87-512). The House passed the bill June 14. (Weekly Report p. 1003)

Senate approval of HR 11990 came after sharp debate about the nation's economy and defeat of three Republican-sponsored amendments to reduce the debt ceiling and Government spending. Without Congressional action the previous temporary limit of \$300 billion would have reverted to the permanent limit of \$285 billion at midnight June 30, 1962.

HR 11990's sliding scale for gradually reducing the ceiling during fiscal 1963 was based on Treasury debt projections which showed the debt at its highest in mid-December, mid-January and mid-February when revenue collections would be at their seasonal lows. However, several Senators said the debt ceilings contained in HR 11990 probably would have to be revised upward again early in 1963, for they were based on an assumption that the budget would be balanced for fiscal 1963. In Senate debate on the bill, Robert S. Kerr (D Okla.) said neither he nor a majority of the Senate Finance Committee believed a balanced budget was possible in the next year. He predicted Congress would have to further increase the ceiling soon after meeting in January 1963.

The main Republican effort to alter the bill was an amendment by John J. Williams (R Del.) to increase the debt limit to only \$306 billion in order to force the Kennedy Administration to cut back spending. In debate Williams said, "I think it is very important that we hold down the debt ceiling because that is one way in which we have control over expenditures." Senators supporting the \$308 billion limit argued that Congress was responsible for appropriations which required a higher ceiling and must give the Treasury the necessary freedom to manage the nation's financial obligations. Kerr, the floor manager of HR 11990, called the \$308 billion figure "the irreducible minimum debt ceiling required." The Williams amendment was defeated 37-52 on a record vote.

An amendment was offered by Homer E. Capehart (R Ind.) to express "the sense of Congress" that federal taxes should be reduced immediately by at least \$5 billion and that Government expenditures should be cut by at least \$7.5 billion in fiscal 1963. Capehart asked Senators to go on record as opposed to unbalanced budgets and raising the debt ceiling every year and in favor of "a sound fiscal policy." After limited debate the Senate tabled (defeated) the amendment by voice vote on a motion by Mike Mansfield (D Mont.).

Jack Miller (R Iowa) proposed an intricately worded amendment aimed at holding fiscal 1963 spending to fiscal 1962 limits (except for Defense Department funds). In explaining his amendment, Miller said that if the national debt, despite the spending limit, rose above \$300 billion, then the provisions of HR 11990 would take effect and the sliding scale with a top limit of \$308 billion would apply. By voice vote, the amendment was tabled on a motion by Mansfield.

In debate on HR 11990, Republicans and some Democrats, particularly Harry F. Byrd (D Va.), chairman of the Senate Finance Committee, criticized the Kennedy Administration for its fiscal policies. Williams said he "was astonished and shocked" by Budget Director David E. Bell when Bell told the Finance Committee that the fiscal 1962 deficit of about \$7 billion was "deliberately planned as an antirecession measure" -- i.e., higher taxes or cutbacks in spending were rejected by the Administration. Williams called the planned deficit "brazen action." Byrd also criticized Bell and said, "I sincerely believe that the best interests of the country would be served if Mr. Bell were replaced as Director of the Budget by a man sympathetic to the hard requirements of fiscal responsibility and discipline." He said Bell "seems to regard the federal budget as a tool for testing economic theories. There is no time for that."

PROVISIONS -- As signed by the President, HR 11990:

Increased the debt limit from \$300 billion to \$308 billion from July 1, 1962 through March 31, 1963.

Set a ceiling of \$305 billion from April 1 through June 24, 1963 and a ceiling of \$300 billion from June 25 through June 30, 1963, when it would return to its permanent level of \$285 billion.

AMENDMENTS REJECTED

June 28 -- John J. Williams (R Del.) -- Change the debt ceiling under HR 11990 from \$308 billion to \$306 billion. Roll-call vote, 37-52.

Homer E. Capehart (R Ind.) -- Express the sense of Congress that federal taxes should be reduced immediately by at least \$5 billion and Government spending reduced by at least \$7.5 billion in fiscal 1963. Tabled by voice vote.

Jack Miller (R Iowa) -- Provide that if spending of fiscal 1963 appropriations exceeds fiscal 1962 levels (except for defense funds) the national debt cannot exceed \$300 billion. Tabled by voice vote.

BACKGROUND -- The Senate Finance Committee reported HR 11990 on June 27 (Weekly Report p. 1097) with recommendations for the \$308 billion ceiling and the sliding scale that the House had approved.

Congress in March voted \$2 billion increase in the ceiling, from \$298 billion to \$300 billion, for the remainder of fiscal 1962. (Weekly Report p. 390) The Administration had sought a \$10 billion increase at that time to remain in effect through fiscal 1963.

ALL-CHANNEL TELEVISION SETS

The House June 29 agreed by voice vote to a Senate amendment on a bill (HR 8031) authorizing the Federal Communications Commission to require television set manufacturers to equip sets to receive the 70 ultra high frequency (UHF) channels in addition to the 12 very high frequency (VHF) channels most sets now pick up. The Senate amendment stipulated that the sets must be capable of "adequately" receiving all channels. The bill did not set a time limit for conversion by manufacturers to all-channel sets. The House action cleared the bill for the President's signature.

BACKGROUND -- HR 8031, which was endorsed by President Kennedy, was passed by the House May 2 and by the Senate June 14. (Weekly Report p. 1055)



On Kennedy Boxscore

CONGRESS APPROVES 7 PERCENT OF PRESIDENT'S REQUESTS

Congress as of July 2 had approved 20 of 285 legislative requests submitted so far by President Kennedy. Comparison with the 1961 Presidential boxscore shows that Mr. Kennedy's approval percentage -- roughly 7 percent -- was well below his 10 percent score as of May 5, 1961 during his first term in office.

In several major areas Presidential requests have managed to pass one house but have not fared so well in the other. Most of Mr. Kennedy's agriculture requests went smoothly through the Senate but were defeated in the House when the farm bill was recommitted. His tax bill, on the other hand, sailed through the House but has been held up in the Senate Finance Committee. The House Ways and Means Committee, which has had a full load of work during the session, reported the tax and trade measures passed by the House, but has yet to take action on the President's proposals for hospital care for the aged under the Social Security system.

Congressional Quarterly did not publish a mid-session boxscore during Mr. Eisenhower's first term as President, but a mid-session June 12, 1958 CQ boxscore shows that Congress had approved 20 or nine percent of the former President's legislative requests during the

second Congressional session of his second term in office. At that point Mr. Eisenhower had made 198 requests as opposed to Mr. Kennedy's 285.

The status of the 285 requests as of July 2:

20 (7.01%) had been finally approved by the House and/or Senate and were either law or awaiting the President's signature.

3 (1.05%) had passed both House and Senate in different forms and were awaiting final action.

99 (34.73%) had passed either the House or Senate but not both.

9 (3.15%) had been reported from committee to the floor but had not come up for a vote in either chamber.

59 (20.7%) had undergone committee hearings and awaited further action.

75 (26.31%) had received no action at all in either the House or the Senate.

12 (4.21%) had been rejected either in committee or on the floor but can be brought up again.

8 (2.80%) had been rejected finally.

The 285 individual requests, their source, their status as of July 2 and the ground rules used by CQ in compiling them are shown on the following pages.

Source Key

In the following pages, sources of President Kennedy's 1962 legislative requests up to July 2 are indicated by the Congressional Quarterly symbols identified below. Page references are to the Weekly Report.

Symbol	Source, Message	Date	Page
A	State of the Union	Jan. 11	54
B	Budget Message	Jan. 18	74
C	Economic Report	Jan. 20	114
D	Trade	Jan. 25	122
E	Reorganization Plan #1	Jan. 30	179
F	UN Bond Purchase	Jan. 30	180
G	Agriculture	Jan. 31	181
H	Public Welfare	Feb. 1	188
I	Monetary Fund Loan	Feb. 2	304
J	Education	Feb. 6	232
K	Communications Satellites		
	letter to Johnson-McCormack	Feb. 7	235
L	Letter to Johnson-McCormack		
	on standby public works	Feb. 19	304
M	Federal Pay Reform	Feb. 20	302
N	Letter to Johnson-McCormack		
	on Peace Corps	Feb. 26	375
O	Health Care	Feb. 27	372
P	Conservation	March 1	376
Q	Letter to Johnson-McCormack		
	on Small Business		
	Administration	March 5	419
R	Letter to Johnson-McCormack		
	on unemployment compensation	March 12	457

Symbol	Source, Message	Date	Page
S	Foreign Aid	March 13	456
T	World's Fair	March 13	612
U	Consumer Protection	March 15	458
V	Letter to Johnson-McCormack		
	on coal slurry pipeline	March 20	484
W	RS-70 letter to Vinson	March 20	470
X	Public Works	March 26	525
Y	Reorganization Plan #2	March 29	614
Z	Ryukyu Islands	April 2	683
AA	Transportation	April 4	560
BB	Letter to Johnson-McCormack		
	on Land Conservation Fund	April 4	565
CC	Letter to Johnson-McCormack		
	on Virgin Islands	April 6	613
DD	Letter to Johnson-McCormack		
	on unemployment benefits	April 10	654
EE	Letter to Johnson-McCormack		
	on Federal Reserve System	April 17	655
FF	Letter to Johnson-McCormack		
	on dues withholding	April 18	683
GG	Letter to Johnson-McCormack		
	on tax reduction	May 8	824
HH	Letter to Johnson-McCormack		
	on Senior Citizens Act	May 14	868
II	Statement on Philippine War		
	Damage bill	May 15	868
JJ	Letter to Johnson-McCormack		
	on surplus federal		
	property	May 16	868
KK	Letter to Johnson-McCormack		
	on campaign financing	May 29	949

CQ'S KENNEDY BOXSCORE AS OF JULY 2, 1962

Following is a list of President Kennedy's 1962 legislative requests to Congress and action taken on them through July 2. A letter in parentheses following each request indicates the principal and most definitive source of the request. A key to the letters is given in the box on the preceding page. Treaty requests made during the Kennedy Administration are followed by the date the treaty was sent to the Senate. Where a request was made in both 1961 and 1962, any action taken in 1961 is charted as well as 1962 action, if any.

STATUS KEY

- ✓ Favorable Action
- ✗ Unfavorable Action
- H Hearings Held or Underway
- # Congressional Inaction Would Constitute Favorable Action
- * Request Previously Submitted and Denied

Agriculture

1. Amend Title II of PL 480 to permit shipments abroad of surplus commodities not in CCC inventory. (G)
2. Broaden the purpose of Title IV of PL 480 to include market development. (G)
3. Extend PL 480 to promote multi-national programs for food assistance. (G)
4. Authorize the President to negotiate agreements for this purpose with international organizations and groupings. (G)
5. Establish a mandatory acreage allotment on all feed grains large enough to meet annual domestic and export requirements. (G)
6. Authorize the Secretary of Agriculture to make payments for mandatory diversion of acreage from feed grains to soil-conserving uses, and as an incentive for further voluntary acreage diversion. (G)
7. Establish wheat acreage allotments based on estimated actual requirements for milling, seed and export, less an amount to permit use of surplus stocks to reduce the carryover to the level required for stability and security. (G)
8. Authorize issuance of wheat marketing certificates to assure growers a price support level between 75 and 90 percent of parity on the domestic allotment. (G)
9. Authorize wheat marketing certificates to assure growers a price support level of up to 90 percent on the export allotment. (G)
10. Authorize the Secretary of Agriculture to make payments for mandatory diversion of acreage from wheat to soil-conserving uses, and as an incentive for further voluntary acreage diversion. (G)
11. Authorize the Secretary to establish the cotton acreage allotment at a level which would produce cotton needed for domestic use and a portion of the cotton exports such as he may determine. (G)
12. Authorize the Secretary to allow cotton growers to exceed their farm acreage allotment by up to 30 percent, with the excess to be marketed to net the grower approximately the world market price. (G)
13. Enact legislation to establish dairy support prices of up to 90 percent of parity under a supply management program. (G)
14. Enact legislation to reduce the budgetary expenditures for the dairy price support program to the cost of acquiring dairy products needed for domestic welfare and foreign assistance programs, up to a maximum of \$300 million per year, plus costs of special milk and school lunch programs. (G)
15. Authorize continuation of price supports on dairy products at the current level until Dec. 31, 1962. (G)
16. Enact legislation to encourage a comprehensive survey of land uses. (G)
17. Enact legislation to provide for a research program on conversion of land to alternate purposes. (G)
18. Enact legislation to initiate a series of pilot and demonstration land use projects. (G)
19. Amend the Soil Conservation and Domestic Allotment Act to expand the agricultural conservation program. (G)
20. Amend the Bankhead-Jones Farm Tenant Act to permit use of land acquired under the Act for recreational development and wildlife protection. (G)
21. Amend the Watershed Protection and Flood Prevention Act to permit the Secretary to share in the cost of land acquired by local organizations for public fish, wildlife or recreational development. (G)
22. Modify the Act to provide for loans for recreational facilities. (G)
23. Authorize the Farmers Home Administration to make loans to farmers for recreational enterprises. (G)
24. Enable the FHA to finance sewage systems and other rural community facilities. (G)
25. Enact legislation to enable the Area Redevelopment Administration to provide loans and technical assistance to local public rural renewal corporations. (G)

HOUSE COMMITTEE ACTION	SENATE COMMITTEE ACTION	SENATE FLOOR ACTION	FINAL OUTCOME	PUBLIC LAW NUMBER	
1	2	3	4	5	6
✓	✗	✗	✗		
✓	✗	✓	✓		
✗	✗	✗	✗		
✗	✗	✗	✗		
✓	✗	✗	✓		
✓	✗	✗	✓		
✓	✗	✓	✓		
✓	✗	✓	✓		
✗	✗	✗	✗		
✓	✗	✓	✓		
✗	✗	✗	✗		
✗	✗	✗	✗		
✓	✗	✓	✓		
✓	✗	✓	✓		
✓	✗	✓	✓		
✓	✗	✓	✓		
✓	✗	✓	✓		
✓	✗	✓	✓		
✓	✗	✓	✓		
✓	✗	✓	✓		
✓	✗	✓	✓		

Kennedy Boxscore - 3

Education and Welfare

EDUCATION

1. *Provide federal aid for public elementary and secondary school classroom construction. (J)
2. *Provide federal aid for teachers' salaries. (J)
3. Authorize the award of up to 2,500 scholarships annually to outstanding elementary and secondary school teachers for a year of full-time study. (J)
4. Authorize establishment of institutes at colleges and universities for elementary and secondary school teachers of those subjects in which improved instruction is needed. (J)
5. Authorize grants to institutions of higher education to pay part of the cost of special projects to strengthen teacher preparation programs through better curricula and teaching methods. (J)
6. Amend the Cooperative Research Act to permit federal support of educational research, development, demonstration and evaluation projects. (J)
7. Authorize grants for local public school systems to conduct limited demonstration or experimental projects to improve the quality of instruction or meet special educational problems in elementary and secondary schools. (J)
8. Assist colleges in the building of academic facilities. (J)
9. *Enact legislation to provide scholarships for students needing assistance in higher education. (J)
10. *Authorize a 10-year program of matching grants for construction of new medical and dental schools. (J)
11. *Provide four-year scholarships and cost-of-education grants for one-fourth of the entering students in each medical and dental school in the U.S. (J)
12. Increase the budget to include funds for National Science Foundation institute programs for college teachers of science and mathematics. (J)
13. Provide budget increases for improvement in content of college science, mathematics and engineering courses. (J)
14. Appropriate funds for college laboratory demonstration apparatus. (J)
15. Appropriate funds for student research programs at the higher education level. (J)
16. Appropriate funds for additional top level graduate fellowships in science, mathematics and engineering. (J)
17. Appropriate \$61.5 million for grants to colleges and universities for basic research facilities. (J)
18. Authorize a five-year program of grants to institutions of higher learning and to the states, to develop programs to combat adult illiteracy. (J)
19. Authorize a five-year federal-state program to aid states and school districts in improving the educational opportunities of migrant workers and their children. (J)
20. Provide matching financial grants to the states to aid in the construction of state or other non-profit educational television stations. (J)

HEALTH

1. *Enact a health care program for the elderly under the Social Security system. (D)
2. *Provide inpatient hospital expenses for up to 90 days in a single spell of illness. (O)
3. *Provide for payment of all hospital costs in excess of \$10 per day for the first 9 days and full costs for the remaining 81 days. (D)
4. *Provide skilled nursing home services up to 180 days after discharge from a hospital (O)
5. *Pay the cost of hospital outpatient clinic diagnostic services in excess of \$20. (O)
6. *Provide community visiting nurse services, and related home health services for a limited period. (D)
7. Provide federal assistance to states and local communities to buy vaccine to immunize all children under five years against polio, diphtheria, whooping cough or tetanus. (O)
8. Increase funds for the National Institutes of Health for 1963 for research and project grants. (O)
9. *Establish a new Institute for Child Health and Human Development within the National Institutes of Health. (O)
10. Authorize funds for contracts and cooperative arrangements for research related to maternal and child health and crippled children's services. (O)
11. Grant the Division of General Medical Sciences at the National Institutes of Health the status and title of an Institute. (O)
12. Extend further the temporarily extended program of federal matching grants for the construction of health research facilities. (O)
13. Provide additional funds for the National Institute of Mental Health to increase its program for the training of professional mental health workers and physicians. (O)
14. Enact legislation to strengthen the federal effort to prevent air pollution. (O)
15. Provide authority for an adequate research program on the causes, effects and control of air pollution. (O)
16. Authorize project grants and technical assistance to state and local air pollution control agencies to develop or improve programs to safeguard the quality of air. (O)
17. Provide authority for studies and public conferences concerning air pollution problems of interstate nature or of significance to U.S. communities. (O)
18. Establish a National Environmental Health Center to study health hazards in the environment. (O)
19. Increase appropriations for the study and control of water and air pollution. (O)
20. Increase appropriations for research into protection against radiation peril. (O)
21. Authorize a 5-year program of federal loans for construction and equipment of group practice medical and dental facilities. (D)
22. Expand the Public Health Service activities directed toward agricultural migrant workers. (O)
23. Encourage the states to provide facilities to meet the health needs of agricultural migrant workers. (O)

1	2	3	4	5	6
✓	X	✓	✓		
✓	X	✓	✓		
X		H			
✓		H			
X		H			
✓		H			
X		H			
✓		H			
X	✓	H	✓		
X	X	✓	✓		
✓		H			
X		H			
H					
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H					
✓					
✓		✓	✓		
✓	✓	✓	✓	✓	447
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H		✓	✓		
H		✓	✓		
H		✓	✓		
✓	✓				
✓	✓				
		✓	✓		
		✓	✓		

Boxscore Ground Rules

Only specific requests for legislative action submitted to Congress by the President were tabulated for the Boxscore. Excluded from the list of legislative requests were proposals advocated by officials of the Executive Branch, but not specifically by the President; measures that the President endorsed but did not request; suggestions that Congress consider or study particular topics, if no legislative action was requested; nominations.

Almost all appropriation requests were excluded because they are a yearly occurrence and provide the funds necessary to carry out regular functions of the Government. But CQ included several appropriation requests the President designated

at key points of certain programs, and which were submitted in special messages.

The number of requests is a fair, but necessarily somewhat arbitrary, count of the Presidential proposals. Requests can be totaled in many ways. Though not all the President's proposals were equally important, CQ makes no attempt to weigh them. But a rough, automatic weighting results from major requests usually having several points.

Congress does not always vote "yes" or "no" on a Presidential proposal. CQ evaluates compromises to determine if the request is closer to approval or to rejection of the President's request.

WELFARE

	1	2	3	4	5	6
1. Enact legislation to establish higher benefit rates for veterans, particularly those disabled. (B)	✓	✓				
2. *Strengthen permanently the federal-state system of unemployment insurance. (C)						
3. Extend the benefit period by as much as 13 weeks for workers with at least three years of experience in covered employment. (C)						
4. Extend the benefit period, when unemployment is widespread, for workers with less than 3 years of experience in covered unemployment. (C)						
5. Authorize incentives for states to provide increased benefits to make the majority of covered workers eligible for weekly benefits equal to at least half of their average weekly wage. (C)						
6. Extend coverage to more than three million additional workers. (C)						
7. Provide improved financing of the program by an increase in the wage base for the payroll tax from \$3,000 to \$4,800. (C)						
8. Authorize reinsurance grants to states with high unemployment insurance costs. (C)						
9. Permit claimants to attend approved training or retraining courses without adverse effect on eligibility for benefits. (C)						
10. Extend the temporary extended unemployment compensation program until April 1, 1963. (DD)						
11. *Approve the Manpower Development and Training Act. (C)	✓	✓	✓	✓	✓	415
12. *Approve the Youth Employment Opportunities Act. (C)	X	X	✓			
13. Provide funds to increase the effectiveness of the U.S. Employment Service. (C)	✓	✓	✓	✓	✓	420
14. Amend the Welfare and Pension Plans Disclosure Act to provide penalties for embezzlement. (C)	✓	✓	✓	✓	✓	420
15. Authorize a federal agency to enforce the statute. (C)						
16. *Offer additional federal funds to the states for broadening rehabilitative and preventive services to dependent persons. (H)	✓	✓	✓			
17. Authorize payments to the states of three-fourths of service costs involved in rehabilitation and prevention. (H)	✓	✓	✓			
18. Amend existing law to permit use of federal funds so that state welfare agencies can use specialists from other state agencies to help attack the problems of dependency. (H)	✓	✓	✓			
19. Expand and improve the federal-state program of vocational rehabilitation for disabled people. (H)	✓	✓	✓			
20. Make permanent provisions in the Aid to Dependent Children program for foster care for children removed from their homes. (H)	✓	✓	✓			
21. Make permanent provisions in the ADC program for federal financial assistance to the aged, blind and disabled. (H)	✓	✓	✓			
22. Raise the current ceiling of \$25,000,000 authorized for annual appropriations for grants to the states for child welfare from \$30,000,000 in 1963 to \$50,000,000 in 1969 and thereafter. (H)	✓	✓	✓			
23. Amend the Social Security Act to authorize earmarking up to \$5 million of grants to the states in 1963 and \$10 million a year thereafter for aid for local programs of day care for young children of working mothers. (H)	✓	✓	✓			
24. Amend current law to permit states to maintain, with federal financial help, community work and training projects for unemployed people receiving welfare payments. (H)	✓	✓	✓			
25. Increase federal assistance to the states for training additional welfare personnel. (H)	✓	✓	✓			
26. Authorize the Secretary of HEW to arrange for training of family welfare personnel to work with children from broken homes or with other serious problems. (H)	✓	✓	✓			
27. Amend the Social Security Act to require states to take into account the expenses of earning income in determining need for welfare benefits. (H)	✓	✓	✓			
28. Amend the Social Security Act to permit federal sharing to continue when protective payments in behalf of children are made to other persons concerned with the welfare of the family. (H)	✓	✓	✓			
29. Extend federal sharing in assistance payments to both parents of a needy child when both are living in the home with the child. (H)	✓	✓	✓			
30. Amend the Social Security Act to prohibit states from making residence requirements for welfare assistance longer than one year. (H)	X	X	X			
31. Amend the Social Security Act to provide a small increase in assistance funds to states removing residence requirements in any of their federally aided welfare programs. (H)	X	X	X			
32. Authorize the Secretary of HEW to appoint an Advisory Council on Public Welfare, and other advisory committees necessary to advise him on administration of the Social Security Act. (H)	✓	✓	✓			
33. Amend the Social Security Act to encourage experimental, pilot or demonstration projects to promote the objectives of the assistance titles and make welfare programs more adaptable to local needs. (H)	✓	✓	✓			

- | 1 | 2 | 3 | 4 | 5 | 6 |
|---|---|---|---|---|---|
| ✓ | ✓ | ✓ | | | |
| H | | H | | | |
| H | | H | | | |
| H | | H | | | |
| H | | H | | | |
| H | | | | | |
| H | | | | | |
| H | | H | | | |
| H | | H | | | |

FOREIGN AID

- [illegible]

[illegible]

- | | 1 | 2 | 3 | 4 | 5 | 6 |
|---|---|---|---|---|---|---|
| 11. Provide financial relocation assistance for workers unemployed or under-employed as a result of increased imports. (D) | ✓ | ✓ | | | | |
| 12. Provide technical information, advice and consultation for businessmen or farmers adversely affected by imports. (D) | ✓ | ✓ | | | | |
| 13. Provide tax benefits to encourage modernization and diversification for businessmen or farmers adversely affected by imports. (D) | ✓ | ✓ | | | | |
| 14. Provide loan guarantees and other loans not commercially available for businessmen and farmers adversely affected by imports. (D) | ✓ | ✓ | | | | |

TREATIES

- Consent to ratification of:
- Convention with Canada for the avoidance of double taxation and prevention of tax evasion on the estates of the deceased. 3/13/61
 - International Convention for the Safety of Life at Sea. 4/27/61
 - Declaration of Understanding Regarding the International Convention for the Northwest Atlantic Fisheries. 7/27/61
 - Amendment of the Convention on International Civil Aviation. 9/12/61
 - Amendment to the Statute of the International Atomic Energy Agency. 1/15/62
 - Treaty of friendship, establishment and navigation with Luxembourg. 4/30/62
 - Labor Convention No. 116. 6/1/62
 - International Wheat Agreement of 1962. 6/5/62
 - Treaty of extradition with Sweden. 6/13/62.

General Government

CIVIL RIGHTS

- | | | | | | | |
|--|---|--|---|---|--|--|
| 1. Provide that the right to vote not be denied by such devices as literacy tests. (A) | H | | H | X | | |
| 2. Provide that the right to vote not be denied by such devices as poll taxes. (A) | ✓ | | H | ✓ | | |

GOVERNMENT OPERATIONS

- | | | | | | | |
|--|---|---|---|---|--|---|
| 1. *Raise postal rates to eliminate the postal deficit (A) | ✓ | ✓ | H | | | |
| 2. *Adopt Reorganization Plan No. 1 of 1962, providing for the establishment of a new Department of Urban Affairs and Housing at the Cabinet level. (E) | X | X | | | | X |
| 3. Establish a Federal Advisory Council on the Arts. (J) | ✓ | | | | | |
| 4. Reform the major statutory salary systems of the Federal Government to make them comparable with private enterprise salaries. (M) | H | | H | | | |
| 5. Provide \$25 million in supplemental 1962 appropriations for the Commerce Department for participation in the 1964-65 New York World's Fair. (T) | ✓ | ✓ | ✓ | ✓ | | |
| 6. Improve the operations of the Federal Power Commission through greater delegation of assignments. (U) | | | ✓ | ✓ | | |
| 7. Improve the operations of the Securities and Exchange Commission through greater delegation of assignments. (U) | | | ✓ | ✓ | | |
| 8. Appropriate funds to enable the Federal Power Commission to provide information for natural gas consumers to point up high rates and stimulate better industry performance. (U) | | | | | | |
| 9. #Adopt Reorganization Plan No. 2 of 1962, providing for certain reorganizations in the field of science and technology. (Y) | ✓ | ✓ | | | | ✓ |
| 10. Amend the Organic Act of 1954 and related laws to authorize the people of the Virgin Islands to elect their own executive officials. (CC) | | | | | | |
| 11. Provide for apportionment of legislative representation in the Virgin Islands. (CC) | | | | | | |
| 12. Transfer assets and activities of the Virgin Islands Corp. to the government of the Virgin Islands. (CC) | | | | | | |
| 13. Authorize the Virgin Islands government to finance capital improvements (non-revenue producing facilities) through sale of bonds. (CC) | | | | | | |
| 14. Revise terms of the chairman and other members of the Board of Governors of the Federal Reserve System. (EE) | | | | | | |
| 15. Increase the salaries of the Governors of the Federal Reserve System. (EE) | | | | | | |
| 16. Authorize federal agencies to withhold from the pay of federal civilian employees the dues for membership in certain employee organizations. (FF) | | | | | | |
| 17. Set forth common standards for determining the terms and conditions on which federal surplus real property may be conveyed for authorized public purposes. (JJ) | | | | | | |
| 18. Define and make uniform the administrative responsibilities of the federal agencies involved in disposition of federally owned real property. (JJ) | | | | | | |
| 19. Suspend temporarily in 1964 the equal time provision of Section 315 of the Communications Act with respect to Presidential and Vice Presidential candidates. (KK) | | | | | | |
| 20. Repeal federal limits on receipts and expenditures of interstate political committees for Presidential nominations and campaigns. (KK) | | | | | | |
| 21. Repeal provisions limiting individual contributions to such committees. (KK) | | | | | | |
| 22. Require candidates for President and Vice President to report contributions and expenditures in nomination and election campaigns. (KK) | | | | | | |
| 23. Require that all political committees campaigning for Presidential and Vice Presidential candidates and raising or spending \$2,500 in a year file periodic campaign fund statements. (KK) | | | | | | |
| 24. Require that individuals and families report contributions or expenses of \$5,000 or more per year for nomination or election of Presidential or Vice Presidential candidates. (KK) | | | | | | |

- | | 1 | 2 | 3 | 4 | 5 | 6 |
|---|---|---|---|---|---|---|
| 6. Enact the Communications Satellite Act of 1962, to provide for the establishment, ownership, operation and regulation of a commercial, privately-owned communications satellite system. (K) | ✓ | ✓ | ✓ | | | |
| 7. Remove the ceiling on authorized loans of the Small Business Administration (Q) | ✓ | ✓ | | ✓ | | |
| 8. Require lenders and vendors to disclose to borrowers in advance the actual amounts and rates they will be paying for credit. (U) | | | H | | | |
| 9. Direct the Federal Trade Commission to enforce such requirements. (U) | | | H | | | |
| 10. Authorize the FCC to prescribe the performance characteristics of all new television receivers shipped in interstate commerce to assure that they can receive both VHF and UHF signals. (U) | ✓ | ✓ | ✓ | ✓ | ✓ | |
| 11. Empower the FTC to issue temporary cease-and-desist orders against the continuance of unfair competitive practices while cases concerned with permanent relief from such practices are pending before the Commission. (U) | H | | | | | |
| 12. Require reasonable advance notice to the Justice Department and the appropriate commission of any merger expected to result in a firm of substantial size. (U) | H | | | | | |
| 13. Require publication of the terms of all settlement agreements between different persons applying for patent rights on the same invention. (U) | | | | | | |
| 14. Authorize the Federal Trade Commission to apply for the cancellation of any trademark which is, or becomes, the common descriptive name of an article and thus should be in the public domain. (U) | ✓ | ✓ | | | | |

TAXES

- | | | | | | | |
|---|---|---|---|---|---|-----|
| 1. *Authorize an 8 percent business tax credit for gross investment in depreciable machinery and equipment. (C) | ✓ | ✓ | H | | | |
| 2. *Extend the withholding principle to dividend and interest income. (C) | ✓ | ✓ | H | | | |
| 3. *Repeal the \$50 dividend exclusion and the 4 percent dividend credit. (C) | X | X | H | | | |
| 4. *Revise the tax treatment of business deductions for entertainment, gifts and other expenses to stop expense account abuses. (C) | ✓ | ✓ | H | | | |
| 5. *Eliminate the special tax preference for capital gains from sale of depreciable real property. (C) | X | X | H | | | |
| 6. *Eliminate the special tax preference for capital gains from sale of depreciable personal property. (C) | ✓ | ✓ | H | | | |
| 7. *Remove preferential tax treatment of cooperatives. (C) | ✓ | ✓ | H | | | |
| 8. *Remove preferential tax treatment of mutual fire and casualty insurance companies. (C) | ✓ | ✓ | H | | | |
| 9. *Remove preferential tax treatment of mutual savings banks. (C) | ✓ | ✓ | H | | | |
| 10. *Remove preferential tax treatment of savings and loan associations. (C) | ✓ | ✓ | H | | | |
| 11. *Revise tax treatment of foreign income, limiting tax deferral privileges to profits earned in less developed countries. (C) | X | X | H | | | |
| 12. Revise tax treatment of foreign income, eliminating tax haven operations. (C) | ✓ | ✓ | H | | | |
| 13. Extend at present levels until June 30, 1963 the corporate income tax and certain excise taxes. (C) | ✓ | ✓ | ✓ | ✓ | ✓ | 508 |
| 14. Repeal the 10 percent passenger transportation tax. (AA) | ✓ | ✓ | ✓ | ✓ | ✓ | 508 |
| 15. Continue the 2-cents-per-gallon gasoline tax for commercial airlines and extend the tax rate to all jet fuels. (AA) | ✓ | ✓ | ✓ | ✓ | ✓ | 508 |
| 16. Reduce to 5 percent the tax on airline tickets and on air freight waybills. (AA) | | | | | | |
| 17. Require a fuel tax of 3 cents per gallon for general aviation (AA) | | | | | | |
| 18. Apply a tax of 2 cents per gallon on fuels used in transportation on the inland waterways. (AA) | | | | | | |
| 19. Grant the President standby authority, subject to Congressional disapproval, to reduce personal income tax rates by not more than 5 percentage points and for not longer than six months, unless extended. (GG) | | | | | | |
| 20. Provide tax incentives for political contributions through limited tax credits or tax deductions. (KK) | | | | | | |

LABOR

- | | | | | | | |
|--|---|--|---|---|--|--|
| 1. Provide standby Presidential authority to initiate a temporary expansion in federal and federally aided public works programs. (P) | X | | ✓ | ✓ | | |
| 2. Provide standby authority for the President to make federal grants and loans for state and local capital improvements, when such action is necessary to reverse a serious economic decline. (P) | X | | ✓ | ✓ | | |
| 3. Amend the Capital Improvements Act of 1962 to provide for a \$600 million capital improvements program in areas of substantial unemployment. (BB) | ✓ | | ✓ | ✓ | | |

TRANSPORTATION

- | | | | | | | |
|--|---|--|---|--|--|--|
| 1. Extend to all carriers of bulk commodities the exemption from minimum rate regulation under the Interstate Commerce Act currently extended to water carriers. (AA) | H | | H | | | |
| 2. Extend exemption from minimum rates to all carriers of agricultural and fishery products. (AA) | H | | H | | | |
| 3. Limit the control of intercity passenger rates to the establishment of maximum rates only. (AA) | H | | H | | | |
| 4. Assure all carriers the right to ship vehicles or containers on the carriers of other branches of the transportation industry at the same rates available to non-carrier shippers. (AA) | H | | H | | | |
| 5. Repeal the provision of the Interstate Commerce Act which currently prevents a railroad from hauling cargo it owns. (AA) | | | | | | |
| 6. Direct the regulatory agencies to sanction experimental freight rates, variations in existing systems of classification and documentation, and new kinds or combinations of service. (AA) | H | | H | | | |
| 7. Amend the Internal Revenue Code to increase from five to seven years the period during which regulated public utilities can apply prior year losses to reduce current income for tax purposes. (AA) | | | | | | |
| 8. Make domestic trunk air carriers ineligible for operating subsidies. (AA) | | | | | | |

Kennedy Boxscore - 9

9. Extend to \$6 million the limitation on funds available in fiscal 1962 for the payment of operating subsidies to the three certified helicopter services. (AA)
10. Grant the Post Office Department greater flexibility in arranging for the transportation of mail by motor vehicle common carrier. (AA)
11. Transfer to the Department of Commerce the railroad loan guarantee authority, and the aviation loan guarantee authority if it is extended. (AA)
12. Declare as a matter of public policy that through routes and joint rates should be vigorously encouraged. (AA)
13. Authorize all transportation agencies to participate in joint boards to act on proposals for inter-carrier services. (AA)
14. Encourage experimental rates and services and development of systems to make rate ascertainment and publication less costly and more convenient. (AA)
15. Authorize the Interstate Commerce Commission to enter into cooperative enforcement agreements with the states, covering economic and safety aspects of highway transportation. (AA)
16. Require all common carriers to pay reparations to shippers charged unlawfully high rates. (AA)
17. Increase the civil penalty on motor carriers for failure to file required reports. (AA)
18. Extend the civil penalty on motor carriers to cover violations of safety regulations and operations without ICC authority. (AA)
19. Apply the ICC safety regulations to private carriers. (AA)
20. Provide federal financial and technical assistance for development of comprehensive and balanced urban transportation systems. (AA)
21. Limit federal assistance for mass transportation to programs based on comprehensive plans and administered through a public agency as part of a unified areawide transportation system. (AA)
22. Authorize capital grants of \$500 million over a 3-year period, with \$100 million available in fiscal 1963, for long-range federal aid to urban areas for public mass transportation. (AA)
23. Authorize federal grants to qualified public agencies for long-range urban transportation programs, to be matched by local, non-federal contributions. (AA)
24. Authorize the Housing Administrator, for a three-year period, to make emergency grants for coordinated systems of mass transportation where the facilities acquired under the emergency grant will be required for the long-range system. (AA)
25. Remove the time limit on the \$50 million loan authorization for mass transportation provided in the Housing Act of 1961. (AA)
26. Amend the federal-aid highway law to increase the percentage of federal funds available to the states for research and planning. (AA)
27. Require that federal funds to the states for research and planning be used for those purposes only. (AA)
28. Require that federal funds to the states for research and planning be matched by the states in accordance with statutory matching requirements. (AA)
29. Require that federal funds to the states for research and planning lapse if not used for those purposes. (AA)
30. Require that the Secretary of Commerce, after July 1, 1965, establish that metropolitan highway projects are consistent with comprehensive metropolitan development plans in the area involved. (AA)
31. Amend the federal-aid highway law to permit more extensive use of federal-aid secondary funds for extension of the secondary system in urban areas. (AA)
32. Authorize payments of up to \$200 for individuals and families and up to \$3,000 for business concerns or non-profit organizations displaced by land acquisitions under highway programs. (AA)
33. Provide that the \$25 million authorized in 1961 be made available for broad research and development projects, as well as demonstration projects, for mass transit. (AA)
34. Provide Congressional approval in advance for interstate compacts to establish agencies for transportation functions in urban areas extending across state lines. (AA)
35. Authorize funds to prepare for a Census of Transportation. (AA)

1	2	3	4	5	6
H		H			
H		H			
H		H			
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ROSTOW CONTROVERSY

The Senate Foreign Relations Committee June 26 questioned Walt W. Rostow, chairman of the State Department Policy Planning Council, on his connections with a secret State Department policy planning document, "Basic National Security Policy" which contained views of several Administration agencies. Republican Committee members said they feared the document was based on the assumption that the Soviet Union was "mellowing."

Acting Secretary of State George W. Ball in effect invoked the doctrine of executive privilege in refusing to produce or answer questions about the document.

Senate GOP leader Everett McKinley Dirksen (Ill.) June 29 described Rostow as the "chief architect" of the document. He and House GOP leader Charles A. Halleck (Ind.) said there should be the "fullest consultation" by

President Kennedy with Congress before any policy changes were made toward the Soviet Union.

A group of House Republicans July 2 inserted statements in the Congressional Record attacking Rostow and his writings. Rep. Robert T. Stafford (Vt.) said "Mr. Rostow in the Government represents a peril." Rep. James F. Battin (Mont.), Rep. Durward G. Hall (Mo.) and Rep. John B. Anderson (Ill.) also attacked Rostow's published views.

ARMED FORCES ADVISERS

President Kennedy June 23 appointed a civilian advisory committee to study racial discrimination in the armed forces. He directed the committee to seek methods for improving the effectiveness of equal opportunities for members of the armed forces both within the armed services and in the civilian community.



Around The Capitol

TAX CUT DEBATE CONTINUES AS FISCAL 1962 ENDS

Fiscal 1962 for the Federal Government ended at midnight June 30 with an administrative budget deficit of about \$7 billion and a heightening chorus of pleas for tax cuts that could produce an even larger deficit in fiscal 1963.

The fiscal 1962 deficit was the second largest in peacetime, surpassed only by the \$12.3 billion deficit in fiscal 1959 which followed the 1958 recession. Another deficit is in prospect for the fiscal year which began July 1 regardless of whether a tax cut is enacted. The budget for fiscal 1963, presented by President Kennedy last January, allowed for a slim surplus of \$500 million. The Administration has not publicly retreated from that figure. However, economic activity in the nation since January has been less than the Administration expected. This will reduce tax revenues unless there is a substantial upturn in the coming months. A new and more liberal schedule of depreciation write-off allowances for business will be announced soon and is expected to cut revenues. Government spending is increasing. The matter of an income and corporate tax reduction has not been settled.

Tax Reduction. Pressure for a quick tax cut has been increasing for several weeks. (Weekly Report p. 1012) The Administration has promised to seek comprehensive tax reform beginning Jan. 1, 1963, which would include across-the-board personal and corporate income tax reductions.

The Chamber of Commerce of the U.S. June 29 departed from its traditional position of opposing budget deficits and urged an immediate income tax reduction. It acknowledged that a budget deficit would result but said, "The best hope and prospect for future balanced budgets and fiscal sanity lies in removing immediately the tax rate deterrents to economic growth." However, the Chamber's proposed changes would have the largest cuts in corporation and upper-income tax brackets although they would include some reductions in all categories. The lower rates would be permanent. In these respects, the proposals differed from tax reductions urged by various Democrats and labor groups. AFL-CIO President George Meany June 14 in a memorandum to President Kennedy urged an immediate temporary tax cut for low and middle-income families. He said his organization was "vigorously opposed to an across-the-board individual tax cut" or a corporate tax reduction. United Auto Workers President Walter P. Reuther, chairman of the AFL-CIO Economic Policy Committee, June 28 called for a \$10 billion income tax cut beginning in August. He also urged that it be concentrated in the middle and lower income brackets.

Senate Finance Committee Chairman Harry Flood Byrd (D Va.), denounced the Chamber of Commerce tax cut plea. He said that Congressional tax experts had advised him that the proposal could reduce revenues by \$9.5 billion a year. The Chamber estimated a maximum reduction of \$7.5 billion.

President Kennedy July 5 told his news conference the Administration was giving consideration to the tax cut pleas but was still hoping for no reduction until Jan. 1,

1963. However, he told reporters June 27 "If we decide (a tax cut) is needed we will propose it.... There are good signs in the economy and signs which are not so good. So we will continue to watch very carefully and make a judgment." (Weekly Report p. 1116) Some of the signs he referred to are mentioned below.

Economic Indicators. Economic indicators in the nation were moderately good as fiscal 1962 came to an end.

The Labor Department June 26 reported that the Consumer Price Index in May remained at 105.2, unchanged from April. The unchanged cost of living halted three consecutive monthly increases. But Government officials expected a rise in June. The stability of consumer prices reflected a balance between lower prices for food, solid fuels and gasoline and higher prices for services and used cars.

The Federal Reserve Board June 15 reported that industrial production moved up to a new record in May. A sharp decline in steel output was more than offset by gains elsewhere, the report said. The seasonally adjusted index of factory, mine and utility output in May was at 118 percent of the 1957 average, up from 117 percent in April.

An increase in personal savings in all forms -- bank deposits, insurance, savings bonds and others -- during the first quarter of 1962 was reported June 14 by the Federal Home Loan Bank Board. Total savings at the end of the quarter were \$345,981,000,000.

Housing starts in May were slightly higher than in April and new orders received by durable goods manufacturers held steady in May, according to recent reports. The Census Bureau said work started on private new housing units -- at a seasonally adjusted annual rate -- was three percent higher than April and 23 percent higher than in May, 1961. It was the third consecutive monthly increase in initial homebuilding activity. The Commerce Department said new durable goods orders totaled \$15.8 billion, the same as in April.

The Labor Department June 26 reported that spendable earnings of the factory production worker rose to an all-time high in May as both the workweek and hourly earnings increased. All of the increase was an addition to purchasing power, because consumer prices remained level.

In another report, the Labor Department June 29 said the number of major areas classified as having substantial unemployment dropped to 51 in June, the lowest figure since November, 1960.

The Labor Department July 5 reported that employment rose sharply in June to a record of 69.5 million but the unemployment rate also rose because of the influx of out-of-school teenagers into the labor force. More than two million youngsters sought summertime or permanent jobs. Unemployment increased by 744,000 to 4,463,000 increasing the rate of unemployment from 5.4 to 5.5 percent. The June figures were generally in line with figures for previous Junes, the Department said.



On Tax Bill

FOREIGN SUBSIDIARY TAX PROPOSALS MEET STIFF RESISTANCE

The Kennedy Administration this year is making a major effort to obtain tax legislation which would -- among other things -- impose new financial obligations on American corporations by increasing the taxation on income earned by their subsidiaries in foreign countries. The proposals are contained in the Revenue Act of 1962, a bill which has been before Congress for more than a year.

The bill, HR 10650, was passed by the House March 29 (Weekly Report p. 492) and is currently being studied by the Senate Finance Committee. (Weekly Report p. 852) Its progress in this Committee has been much slower than the Administration would like, in large part because the chairman, Harry F. Byrd (D Va.), is strongly opposed to the two parts which have received the most publicity: an investment credit for business and withholding of taxes on dividends and interest. The controversy over these sections have overshadowed the foreign subsidiary tax proposals. However, strong pressures have been brought against the subsidiary proposals, particularly in business testimony before the Senate Finance Committee. The Committee plans to halt consideration of the tax bill July 18 and begin work on the House-passed trade bill. It seems increasingly likely that opponents of the tax bill, if they choose, will be able to delay Committee action on HR 10650 until it is too late in the session to complete Congressional action.

In proposing the new foreign subsidiary tax legislation, the Administration is seeking to accomplish various goals. They include greater fairness and equity in taxation, further alleviation of the balance of payments problem and more equal international trade opportunities for goods produced in the U.S. Businessmen who oppose the tax proposals say all these problems will be made worse and new ones will be created if the bill passes. Business groups claim that the Administration wants to make foreign investment less attractive for American firms, and that this would curtail U.S. expansion into foreign markets. In testimony to the Senate Finance Committee, Secretary of the Treasury Douglas Dillon said the Administration does not want to halt foreign investment (and does not think the proposals will even reduce it very much) but simply wants to divert investment dollars from developed countries into the U.S. economy or into underdeveloped nations and to have American corporations with foreign subsidiaries pay their fair share of the U.S. tax burden. President Kennedy Dec. 6, 1961, told the National Association of Manufacturers, "We are committed to the free flow of capital--but we also want to make sure that our tax laws do not encourage the outward movement of capital in a way which does not serve our national purpose...I'm sure you must realize that it makes no sense to be encouraging an exodus of capital through tax laws that were more appropriate at a time when Europe was deficient in capital." (1961 Weekly Report p. 1939) This Fact Sheet explains the foreign subsidiary tax proposals, tells why the Administration thinks them necessary and gives the business response to them.

Proposals Explained

The foreign earnings sections of the proposed Revenue Act of 1962 cover several provisions of the tax laws that Treasury officials assert give unfair tax advantages to corporations which use them. The central issue is the deferral provisions which exempt from U.S. taxes the income earned by foreign subsidiaries of American corporations until that income is brought home to the parent corporation. In addition to deferral, the Treasury Department seeks to eliminate the advantages of the so-called "tax haven" countries and to tighten the current laws which permit, in effect, corporations to take double credit in the U.S. for taxes its subsidiaries must pay in foreign countries.

Tax Deferral. The deferral privilege applies to a division of an American corporation organized as a subsidiary. Foreign enterprises that are organized as branches, which generally include petroleum and mining operations, may not defer U.S. taxes on income. Manufacturing operations are considered the crucial type of investment involved in subsidiary deferral.

Foreign subsidiaries usually must pay income taxes to the government of their host country. These taxes may be applied as a credit against whatever U.S. tax is owed. Treasury officials argue that to the extent that a subsidiary's U.S. tax liability exceeds its foreign tax obligation, the tax deferral privilege gives the parent corporation an interest-free loan that firms operating only in this country do not enjoy. Secretary Dillon has called this advantage "a special tax stimulus for American capital to go abroad and stay abroad." He argues that no useful purpose is served by having such capital drawn to developed countries while American interests are damaged in at least two principal ways. First, an unnecessary drain is imposed on the balance of payments which has been running a deficit for some time. The Treasury believes that some improvement can be achieved in the balance of payments by holding in this country investment that might otherwise go abroad because of tax advantages. Furthermore, Treasury officials believe that dividends from foreign investment would return more quickly if tax deferral advantages did not exist. Dillon "guessed" there would be "a net favorable effect of \$200-\$400 million (in the balance of payments) in the early years following the new legislation." He estimated that, under existing law, at least 10 to 15 years must pass before current outflows of investment will produce compensating inflows of dividends, fees and royalties.

A second way in which it is said foreign tax deferrals injure American interests is through their effect on U.S. investment and employment. The essence of this argument is that jobs are being "exported" because money invested abroad will contribute little to American economic and industrial growth. Labor unions have emphasized this criticism of deferral.

Secretary Dillon May 11 told the Senate Finance Committee that even with complete elimination of

deferral, the Treasury estimates that investment would be reduced by only about 10 percent in developed countries.

The Kennedy Administration had proposed that foreign income be taxed when it is earned rather than when it is brought back to the U.S. After strong opposition from businessmen engaged in overseas operations, the bill passed by the House provided that earnings of foreign subsidiaries be subject to immediate taxation unless they are re-invested in the subsidiary or in another subsidiary in an underdeveloped country. (Weekly Report p. 493) Dillon later criticized these provisions and urged that deferral "simply be eliminated" for subsidiaries in advanced industrial countries but be retained for income earned in less developed countries "in line with our general foreign policy objectives."

Tax Havens. A separate but related method of avoiding U.S. taxes is through the so-called tax haven. There is considerable agreement that this device is used primarily to avoid taxes; some businessmen have publicly supported action against firms that use this tax advantage. Tax havens depend first on the tax law provision discussed above: deferral. The second required element for a tax haven is a country which does not tax at all or taxes at very low rates corporate earnings resulting from activities outside its borders. Tax haven income is income earned in a "profit sanctuary" country which, because of the country's tax laws, is free or largely free of taxation by a foreign government and by the U.S. Government so long as the income is left abroad, according to Treasury officials.

Some of the best-known tax haven countries are Bermuda, Bahamas, Panama, Venezuela, Liberia, Jamaica, the Netherlands, Switzerland, Liechtenstein, and Luxembourg. Treasury officials note that in Switzerland alone there exist more than 1,000 U.S. subsidiaries of American corporations. Subsidiaries in tax havens can be used for sales to other countries or as holding companies or as receivers of dividends and interest from other subsidiaries of the parent corporation. They also may be used for manufacturing although this seems to be the exception in tax havens countries. Treasury figures indicate that corporate income tax rates in other developed countries range from 30 to 54 percent but the over-all weighted average is close to the U.S. rate of 52 percent. But, Treasury officials claim, "it is a relatively simple matter to reduce this effective foreign tax by 5, 10 or even 20 percentage points through establishment of a sales subsidiary" in a tax haven.

Treasury officials are somewhat uncertain of the extent of tax haven abuses. In a presentation to the Senate Finance Committee, the Treasury said "it is not possible to gauge accurately the full magnitude of tax haven profits" but they are "large and growing by leaps and bounds."

Secretary Dillon testified before the Senate Finance Committee May 11 that "something in the order of only 15 percent" of profits of companies situated in tax havens are repatriated to the U.S. By contrast, he said, manufacturing subsidiaries abroad, in general, transmit an average of 45 percent of their earnings to the U.S. As another point of comparison, he noted that dividend payouts in the U.S. approach an average of 55 percent.

The foreign earnings section of HR 10650 as passed by the House contains fairly strong tax haven provisions

which drew the praise of Dillon. The bill subjects the trading earnings and income from dividends, interest, rents and royalties of tax haven corporations to immediate U.S. taxation unless they are reinvested in less-developed countries. Insurance company receipts on policies involving U.S. risks, and receipts derived from patents, copyrights and special processes which have been developed in the U.S. are subject to immediate tax without any exceptions for reinvestment. Dillon has urged that the bill be altered so that exemption of tax haven profits invested in less-developed countries be limited to profits earned in those countries.

Tax Credits and Gross-up. A third tax advantage for foreign subsidiaries that the Treasury would like to change results from the combination of two tax exemption privileges. Foreign subsidiaries generally have to pay income taxes to the Governments of countries where they are located (except for the low or non-existent rates in tax havens). The foreign tax may be deducted from profits before the earnings are repatriated to the U.S. as dividends. This reduces the tax base which is subject to U.S. rates. In addition, the foreign tax is allowed as a credit against whatever U.S. tax liability is incurred on the repatriated dividends. Dillon said this double credit can reduce the combined foreign and U.S. tax rate to about 40 to 45 percent. The normal U.S. rate is 52 percent. HR 10650 requires corporations to "gross-up" or include within their U.S. tax base the amount of foreign taxes paid by their overseas subsidiaries as a condition for obtaining the U.S. tax credit. Thus, corporations would have to include as income the full profit from subsidiaries abroad before foreign taxes were paid. However, Dillon criticized the House provision because it would not apply to earnings prior to 1963. He asked that the provision be made applicable as of Dec. 31, 1961.

Business Response

The business community responded vigorously to the Kennedy Administration's proposals for taxation of foreign earnings. Testimony before the House Ways and Means Committee led that group to considerably modify the tax deferral proposals of the Administration. Business representatives appearing before the Senate Finance Committee have been virtually unanimous in opposition to the sections of HR 10650 that deal with foreign earnings.

The National Association of Manufacturers and the U.S. Chamber of Commerce have criticized the foreign earnings sections of the tax bill.

The NAM June 19 told the Senate Finance Committee that tax restrictions on foreign business operations will hurt the balance of payments. The Chamber July 3 told the Committee the proposals would discourage further investments abroad, "even in less developed countries." The bill would prevent U.S. foreign subsidiaries from competing on equal terms with foreign-owned corporations on foreign soil, the Chamber said.

The Committee for Export Expansion Through Subsidiaries Abroad, a lobby group organized to oppose the foreign tax provisions of HR 10650, has prepared a digest of the views of "business leaders, economists and legal experts." The main contention is that the bill would "regulate downward the foreign commerce of the U.S." and place subsidiaries abroad "at a serious competitive disadvantage."

Tax Bill - 3

Specifically, it is said that the bill would reduce U.S. exports and employment because investment abroad draws upon raw materials and finished goods from U.S. and also opens additional markets for direct American export. Moreover, in answer to the charge of exporting jobs business representatives argue that expansion abroad is carried on in addition to, not in place of, expansion at home.

Another assertion of the bill's opponents -- in direct opposition to the Treasury's claim -- is that the bill would undermine America's long-term balance of payments position. Some business representatives testified before Congress that although a dollar not invested abroad in the near future could help the immediate balance of payments problems, in the long run the balance would be permanently hurt. The Treasury says the balance would be improved for the next 10 to 15 years, a period it considers critical. Business leaders suggest the balance be improved by having U.S. allies assume a larger part of the military defense and foreign aid burden for the free world and by working for increased American exports through improved international trade agreements.

Another disadvantage of the bill, businessmen say, is that it will impose "destructive tax inequities on U.S. business." They say that the "handicap imposed on U.S. business abroad by the new tax burden will cause businesses to forfeit international markets to competitors from other countries."

One of the hopes of the Treasury is that some private U.S. foreign investment will be diverted into underdeveloped nations because of the tax provisions in HR 10650. Because of technical provisions in the bill, businessmen doubt this would be possible. They also doubt if business would invest in such countries even if it could. Many of the developing nations are considered high risk areas because of government instability, lack of proper economic conditions for a successful business venture, and other reasons.

Another argument used against the bill is that it is "vague, difficult to interpret and highly complex."

Businessmen generally have not objected to halting the deliberate attempts to avoid taxation through "paper companies" located in tax-free areas. But some businessmen testifying before Congress said it would be unfair to impose heavy and unnecessary tax burdens on all business in order to halt a few abuses of the tax system. They further contend that present laws are adequate for this purpose.

Opponents of the tax bill frequently criticize the measure as at odds with the Administration's program to stimulate freer trade. Although lower tariffs may help promote exports, the critics say, American companies must have sales and manufacturing facilities abroad to be competitive in foreign markets. The tax proposals, it is said, would hamper the latter requirement for active foreign trade by U.S. companies. Dillon replied to this criticism May 10 when he said "the contradiction is more apparent than real." He said the trade bill is aimed at increasing the international exchange of goods. "Movements of capital are somewhat different," he said. The U.S., he said, should profit by having a surplus of exports over imports. But the tax bill provisions are to remove special tax inducements for foreign investment that the Treasury sees as harmful to the U.S.

RELATED DEVELOPMENT. The National Assn. of Manufacturers June 7 said an NAM survey showed that American business firms established foreign subsidiaries to maintain and expand markets rather than because of tax advantages. NAM said that of 82 sizable companies supplying data on overseas operations, "only 15 ... mentioned tax advantage as an important reason for establishing foreign subsidiaries." The NAM said: "While tax advantages do not appear in the survey as a major motivation for overseas operations by U.S. firms, some companies indicated that if Administration proposals on taxing U.S. foreign source income become law, incentives for foreign plan expansion would be diminished."

STATUS OF APPROPRIATIONS, 87th CONGRESS, 2nd SESSION

Agency	Weekly Report Page No.	Requested	HOUSE		SENATE		Final
			Committee	Passed	Committee	Passed	
Agriculture							
Commerce							
Defense (HR 11289)	1004	\$47,907,000,000	\$47,839,491,000	\$47,839,491,000	\$48,429,221,000	\$48,429,221,000	
District of Columbia (HR 12276)	1094	\$ 35,199,000	33,199,000	33,199,000			
Federal Payment		299,134,478	290,059,000	290,059,000			
District Budget							
Independent Offices							
Interior (HR 10802)	1009	930,674,000	868,595,000	868,595,000	916,560,820	922,560,820	
Labor-HEW (HR 10904)	494	5,284,831,000	5,170,788,000	5,170,788,000			
Legislative (HR 11151)	584	114,078,425	113,733,890	113,733,890			
Public Works							
State-Justice-Judiciary							
Treasury-Post Office, Exec. Offices (HR 10526)	495	5,575,386,000	5,461,671,000	5,461,671,000	5,526,558,000	5,526,558,000	
Foreign Aid							
Regular							
Peace Corps (HR 10700)							
Military Construction							
2nd Supplemental, FY 1962 (HR 11038)	1087	547,902,000	431,807,000	447,514,000	487,802,980	560,008,344	
Veteran's Administration Supplemental, FY 1962 (HJ Res 612)	202	151,200,000	55,000,000	55,000,000	55,000,000	55,000,000	\$55,000,000



On Recreation Programs

RECREATION LEGISLATION MOVING TOWARD ENACTMENT

Three major recreation programs backed by the Kennedy Administration are expected to be put on the statute books by the end of the second session of the 87th Congress, but not without some major modifications. They are:

Wilderness Bill. S 174 passed the Senate by a vote of 78-8 on Sept. 6, 1961. (1961 Almanac p. 442) Hearings were held on the bill by the Public Lands Subcommittee of the House Interior and Insular Affairs Committee on October and November 1961 and on May 7-11 this year. (CQ Weekly Report p. 853-4) The Subcommittee was expected to meet in mid-July to mark up the bill. Many amendments are pending to it. Chairman Wayne N. Aspinall (D Colo.) of the House Interior Committee June 23 said, "We'll get a wilderness bill of some kind out of committee, and we expect it to go through the House this year."

S 174 would give statutory authority to a national wilderness system, which would include immediately all of the existing wilderness, wild and canoe areas already so designated within the U.S. National Forest Service system. Additional primitive areas within the U.S. Forest Service and within the National Park System could be added to the permanent Wilderness System following a favorable review by the Secretaries of Agriculture and Interior respectively and a recommendation by the President to Congress, providing that neither the Senate nor the House adopted a resolution rejecting the Presidential recommendation. With very limited exceptions, no roads, buildings or commercial enterprises could be built in any wilderness area under S 174, and it sharply curtails non-recreation uses in such an area. It is likely that in the House Committee attempts will be made to change S 174 in three important respects:

1. Require Congress to take affirmative action by passage of a concurrent resolution on a separate bill to include areas over a certain acreage permanently in the wilderness system, similar to the amendment by Sen. Gordon Allott (R Colo.) rejected in the Senate last year. (1961 Almanac p. 444)

2. Drop from S 174 provisions permitting the Federal Power Commission to license power projects in primitive areas and Presidential authority to grant power development and transmission facilities in such areas.

3. Allow greater multiple use of wilderness areas than is provided for under S 174.

Conservationists and supporters of multiple uses of public lands have battled over this legislation for the past six years.

The bill that is finally enacted into law is not likely to satisfy either side.

Interior Secretary Stewart L. Udall told the White House Conference on Conservation May 24 that "the overriding need of men (is) for an environment that will renew the human spirit and sustain unborn generations." He said this "requires some sacrifice of short-term profits."

The various conservation groups, including the politically potent garden clubs, hold the same view.

Many present users of public lands oppose the bill on grounds that it would lock up wilderness lands for the benefit of "a few hardy hikers" and curb economic activity in the Western states.

Land Conservation Fund. Aspinall has scheduled hearings before his full committee on July 11 on his bill, HR 11172, and five identical bills to establish a land conservation fund to permit the Federal Government to buy up more land for conservation and recreation purposes. President Kennedy April 4 sent a letter to Congress urging passage of such legislation. (Weekly Report p. 541) Chairman Clinton P. Anderson (D N.M.) of the Senate Interior and Insular Affairs Committee and 27 other Senators are sponsoring identical legislation, S 3118, in the Senate. Anderson June 22 said hearings on this measure would be scheduled later before his committee.

To pay for the cost of acquiring additional reservoir lands for public recreation use and to help finance the federal park, recreation, forest and refuge programs, this proposal originally provided for channeling into a new land conservation fund the proceeds from user fees at recreation areas, net proceeds from the sale of surplus federal nonmilitary real property, a two-cent-a-gallon tax on motorboat fuels currently refundable under present law, and the revenue from a proposed new annual federal tax on the use of recreation boats of \$5 for boats 14 to 16 feet long, plus \$2 for each additional foot in length. It also originally authorized advance appropriations of \$500 million over an eight-year period, through fiscal year 1970, to the new fund. After revenues began to build up in the new fund, the advance would be repaid to the U.S. Treasury.

The proposed tax on recreation boats was so highly controversial that it was doubtful this measure could be passed. So on June 18 Interior Secretary Stewart L. Udall wrote to Aspinall and Anderson recommending that this provision be stricken from the bill "in view of the urgent necessity to establish the conservation fund this year." As the proposed tax on recreation boats would have provided the major source of revenue for the fund, it is also expected that the proposed \$500 million authorization for advance appropriations likewise will have to be scaled down.

Outdoor Recreation Planning. This measure to develop outdoor recreation programs at the federal and state levels was recommended by the Interior Department to Congress April 4. Anderson held hearings on his bill, S 3117, co-sponsored by 19 other Senators, on May 10-11 before his committee. The House Public Lands Subcommittee is scheduled to hold hearings July 9-10 on HR 11165 and six other identical bills in the House. Both Anderson and Aspinall told Congressional Quarterly that they anticipated this legislation would be enacted into law before the end of this session.

The House Interior Committee is considering the possibility of combining with HR 11165 some of the

(Continued on p. 1153)



Committee Roundup

UN LOAN

COMMITTEE -- House Foreign Affairs.

BEGAN HEARINGS -- On S 2768, a bill authorizing the President to loan the United Nations up to \$100 million (\$25 million outright, \$75 million on a matching basis with other UN members) to assist the UN in a financial crisis brought about by its special peace-keeping operations in the Congo and the Middle East.

BACKGROUND -- The Senate April 5 passed S 2768 by a 70-22 roll-call vote. There was wide agreement that the President could use the loan authorization to purchase UN bonds, which would bear 2 percent interest and be redeemed over a 25 year period. President Kennedy had originally requested legislation authorizing the purchase of \$100 million in UN bonds. (Weekly Report p. 629)

TESTIMONY -- June 27 -- U.S. Ambassador to the UN Adlai E. Stevenson said passage of S 2768 was in the U.S. national interest. He said the loan was necessary to prevent a UN financial collapse and should not be regarded as a precedent for future UN financing. Stevenson said the loan proposal was "the only alternative method available to us at this time" and was "a practical and reasonable way for the U.S. to do its share."

June 28 -- Under Secretary of State George W. Ball said the UN plan to float a \$200 million bond issue "has been found to be practicable and financially sound." He said the UN would exhaust its ability to finance itself without the adoption of the bond issue plan. Ball said the UN needed the \$200 million for the "important purpose" of "keeping the peace and preventing the big powers from confronting each other in power vacuums in such troubled spots as the Congo and the Middle East."

NASA AUTHORIZATION

COMMITTEE -- Senate Aeronautical and Space Sciences.

ACTION -- June 27 reported a bill (HR 11737 -- S Rept 1633) authorizing appropriations to the National Aeronautics and Space Administration for fiscal 1963 totaling \$3,749,515,250 and providing a supplemental authorization of \$71,000,000 for fiscal 1962. The 1963 total was \$37,760,750 less than the \$3,787,276,000 requested by the Administration but was \$78,353,250 more than the \$3,671,162,000 authorized May 23 by the House. (Weekly Report p. 875) The entire request for supplemental funds for fiscal 1962 was authorized.

The authorization was divided into two parts: (1) research, development and operation; and (2) construction of facilities. For research, development and operation the Administration had requested \$2,968,278,000. The House voted \$2,934,961,750, a cut of \$33,316,250. The Senate Committee voted \$2,958,278,000, a cut of \$10 million. The report said the Committee had restored \$23,316,250 cut by the House because House reductions for Project Mercury, scientific satellites, and lunar and planetary exploration were unjustified. The \$10 million cut by both the House and Senate Committee was requested to initiate the prospector project. However, the Senate restored \$400,000 cut by the House for that

project for continuation of preliminary prospector project studies because "this project may become an important support project to the manned lunar landing program."

For construction of facilities the Administration had requested \$818,998,000. The House voted \$736,200,250, a cut of \$82,797,750. After the House had passed the bill, NASA requested an additional \$32 million to acquire additional land at Cape Canaveral but at the same time reduced its request for NOVA launch complex funds by \$32,000,000, leaving the total request amount the same. The Senate Committee voted \$791,237,250, a cut of \$27,760,750 from NASA requests. The total included the supplemental \$32,000,000 for the Cape Canaveral land. Like the House, the Committee cut all of the funds requested for construction of the NOVA launch complex (in the House the request was \$60,630,000; in the Senate the request had been reduced to \$28,630,000 by deletion of the \$32,000,000.) The Committee restored money cut by the House for construction of the Advanced Saturn complex and facility planning as "essential to the timely conduct of NASA programs" but agreed to other minor House construction reductions.

STOCKPILING INVESTIGATION

COMMITTEE -- Senate Armed Services, National Stockpile and Naval Petroleum Reserves Subcommittee.

CONTINUED HEARINGS -- On stockpiling policies and surpluses of strategic materials. (Weekly Report p. 1069) Testimony:

June 20 -- William N. Lawrence, deputy director of the Mobilization Base Analysis Branch of the Office of Emergency Planning, said purchase goals for lead and zinc were manipulated upward for several years under directives from Dr. Arthur S. Flemming, former director of the Office of Defense Mobilization (1953-57). Lawrence said the buying was "nothing more than a price-support program without any reference to defense requirements." He said that when he and other officials protested to Flemming that the Government did not need more zinc and lead Flemming produced a July 15, 1954 directive from President Dwight D. Eisenhower that materials for the stockpile be bought on the basis of one year's normal U.S. use of the material. Lawrence criticized Flemming for directing that the zinc stockpile goal be raised by using 1955, a record year for zinc production, as a base year instead of 1953, which had been the original normal base year selection. Lawrence said Flemming used a three-year average to establish the goal for lead.

July 2 -- Harlan P. Bramble, deputy director of the State Department's Office of International Resources, said large accumulation of metals and minerals in national stockpiles was "no longer justified." He said the taxpayers' investment would have to be written off as past cost of national security, since attempts to move substantial surpluses would upset world markets. Bramble said the stockpiled materials would not be useful in a nuclear war since the plants and facilities to process the materials would probably be destroyed, or useful in a brushfire war since U.S. access to overseas sources of supplies would not be significantly reduced. Bramble

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said the views he presented to the Subcommittee were his own.

J.C. McCaskill, staff assistant to the Assistant Secretary of Interior for Mineral Resources, said the Government in 1961 had agreed to acquire some 105,000 tons of lead in an effort to reduce a world lead surplus and boost lead prices. He said the effort had failed due to increased U.S. lead production and Soviet Union lead exports. (The U.S. agreed to acquire the lead from Canada and Australia in a barter transaction, exchanging perishable agricultural commodities for the lead.)

RELATED DEVELOPMENTS -- July 21 -- Sen. Stuart Symington (D Mo.) said Flemming had "violated the directive" he had received from Eisenhower by changing the base year from 1953 to 1955 in calculating purchases of zinc for the stockpile. Symington said "it is clear that this was done to support...prices."

Sen. Prescott Bush (R Conn.) June 29 said Symington's charge was "without foundation in fact, as an examination of the evidence before the Subcommittee amply proves." He said attacks were being made on Eisenhower officials "in the hope of reaping political advantage."

June 21 -- The Senate passed H Con Res 473 authorizing the disposal of 14 strategic and critical materials from the stockpile. Symington said during the Senate debate that the acquisition cost of the materials proposed for disposal was approximately \$177.6 million, and it was expected that the Government would receive \$160 million from the sale of the materials. He said the bill authorized for disposal about 3.8 percent of the total excess in the stockpile. The House passed the resolution June 4. (Weekly Report p. 965)

HIGHWAY AUTHORIZATIONS

COMMITTEE -- House Public Works.

ACTION -- June 28 reported an Administration bill (HR 12135 -- H Rept 1948), the Federal-Aid Highway Act of 1962, authorizing appropriations of \$1,112,000,000 in fiscal 1964 and \$1,159,000,000 in fiscal 1965 for federal and federal-aid roads. In addition, the bill authorized funds for relocation assistance payments to individuals and industries displaced by highway construction programs.

As reported, HR 12135 authorized, from the Highway Trust Fund, \$950 million for the federal-aid primary, secondary and urban (ABC) highway program in fiscal 1964 and \$975 million in 1965. President Kennedy, in his 1961 message on highways, had recommended that the ABC authorization be increased by \$25 million every two years beginning in 1964 until a level of \$1 billion was reached and maintained. (1961 Almanac p. 881) The fiscal 1962 and 1963 authorizations were \$925 million each year. In authorizing the increased funds, which went beyond the President's request for 1965, the Committee said "the annual increase of \$25 million provided in HR 12135 is desirable and necessary for the continuation of this vital portion of the highway program at appropriate levels to keep it in balance with the accelerated interstate program." HR 12135 did not provide authorizations for the interstate highway system because funds for the system were provided in the Federal-Aid Highway Act of 1961 through fiscal 1971. (1961 Almanac p. 433)

The bill authorized the following appropriations, from general revenues, for other road programs:

	Fiscal 1964	Fiscal 1965
Forest highways	\$ 33,000,000	\$ 33,000,000
Forest roads & trails	70,000,000	85,000,000
Park roads & trails	22,000,000	25,000,000
Parkways	16,000,000	16,000,000
Indian reservation roads & bridges	16,000,000	18,000,000
Public development roads & trails	2,000,000	4,000,000
Public land highways	3,000,000	3,000,000
	<u>\$162,000,000</u>	<u>\$184,000,000</u>

The total authorization of \$184 million for fiscal 1965 was \$62 million more than the previously enacted fiscal 1963 authorization of \$122 million and \$67 million more than the 1962 authorization of \$117 million. The largest addition to fiscal 1962 and 1963 funds was for forest roads and trails, which increased from \$40 million in 1963 to \$70 million in 1964 and \$85 million in 1965. (1960 Almanac p. 350) The Committee also authorized an additional \$10 million for fiscal 1963, bringing the total 1963 authorization for forest roads and trails to \$50 million.

HR 12135 added a new provision to existing law to authorize funds for public development roads and trails in commercial forest land and rangelands. The Committee said roads in these areas, which had been built previously by timber contractors, "were inadequate for recreation use and proper land management." The bill directed the Secretary of Commerce to supervise and control the construction of such roads and authorized \$2 million in fiscal 1964 and \$4 million in fiscal 1965 for the roads.

As requested by President Kennedy in his 1961 message on highways and again in his 1962 transportation message, HR 12135 contained provisions for relocation assistance payments to individuals, families, business concerns and nonprofit organizations displaced by highway projects. It directed the Secretary of Commerce to require "satisfactory assurance" from a state highway department that a "feasible" method of aiding families displaced by highway projects was available before authorizing the acquisition or construction of a project. It also directed the Secretary to approve, as part of the cost of a highway project, the costs of payments made by the state highway departments for moving expenses of those displaced. The bill limited relocation payments in which the Federal Government would share to a maximum of \$200 for an individual or family and \$3,000 for a business concern or non-profit organization. The bill did not, however, prevent a state from making larger payments without federal participation. The report pointed out that since 1956 the Federal Government had contributed to the cost of relocation of public utility facilities occupying public rights-of-way and said the "extension of the principle of the payment of costs of relocation to human beings displaced should take no less a priority in the public interest than the payment of costs of utility facility relocation." The bill also removed the existing requirement that only funds apportioned for urban roads could be used for certain secondary system extensions within urban areas.

HR 12135 added a new provision directing the Secretary of Commerce to cooperate with states in developing long-range highway plans coordinated with comprehensive plans for improvements in other forms of transportation. The Secretary was directed to approve

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highway programs after July 1, 1965, in areas with populations of over 50,000, only upon finding that they were consistent with comprehensive metropolitan development plans in the areas involved.

The bill required that the 1½ percent of ABC and interstate funds currently available to the states for research and planning be used only for those purposes, beginning in fiscal 1964. The bill also permitted a state to use an additional one-half of one percent of its ABC apportionment for planning and research purposes if it so desired. It required that all funds for use in planning and research be matched by the states unless the requirement was suspended by the Secretary of Commerce in the interest of the federal-aid highway program. The Committee amended HR 12135 as introduced to provide that any of the 1½ percent funds not used for highway planning and research within the time of availability would lapse.

In supplemental views, 13 Republican Committee members opposed the relocation assistance provisions which required satisfactory assurance from state highway departments that "feasible" means for relocation existed before the Secretary approved federal-aid highway acquisition and construction projects. They said the bill gave the Secretary "carte blanche authority to impose any requirement upon the states that he wishes for the relocation of displaced families, short of requiring a state to pay relocation payments when not authorized by state law."

BACKGROUND -- The Roads Subcommittee of the Public Works Committee held hearings April 17-18 and May 1-2 on HR 11199, an Administration draft bill, and related bills authorizing funds for federal-aid road construction in fiscal 1964 and 1965. (Weekly Report p. 643, 760) HR 12135, a clean bill embodying most of the provisions of HR 11199, was introduced June 14.

RELATED DEVELOPMENT -- The Public Works Committee June 13 released the fifth interim report of its special subcommittee on the Federal-Aid Highway Program (H Rept 1819). Entitled "Highway Construction Practices in the State of New Mexico," the report said the state's highway administration "fell far short of acceptable standards." The Subcommittee concluded that "contractor influence over policies of both the highway department and the highway commission reached such a degree that it became another classic example of the tail wagging the dog." (For similar reports, see 1961 Almanac p. 441. For hearings on Massachusetts highway practices, see Weekly Report p. 396)

ESTES INQUIRY

COMMITTEE -- Senate Government Operations, Permanent Investigations Subcommittee.

BEGAN HEARINGS -- On the grain storage and cotton allotment dealings of Billie Sol Estes, a Texas financier under indictment in Texas courts for fraud.

BACKGROUND -- The Senate Subcommittee began a preliminary investigation into the Estes case on April 17, and began closed hearings on the case May 21. The House Government Operations Inter-governmental Relations Subcommittee has been holding an inquiry into the Estes case since May 28. (Weekly Report p. 1096)

TESTIMONY -- June 27 -- Chairman John L. McClellan (D Ark.) in an opening statement said the prime purpose of the hearings would be to look into "the operations and administration of the Department of Agriculture in certain areas to determine whether its affairs are

being conducted efficiently without favoritism and without any undue waste and extravagance."

Paul E. Kamerick, Subcommittee staff member, testified that Undersecretary of Agriculture Charles S. Murphy appointed Estes to the National Cotton Advisory Committee despite an adverse report from the Department's personnel office on the same day, Dec. 22, 1961, that he approved the cancellation of Estes' 1961 cotton allotments because his method of obtaining them by transferral from farmers who had lost land by eminent domain was legally questionable. (The cancellation order was temporarily rescinded at a Jan. 6, 1962, meeting in Murphy's office. The Department May 9 fined Estes \$554,162.71 in cotton marketing penalties.)

Kamerick said the Subcommittee's investigations had revealed breakdown in communications between the Department and its subordinate organizations at the state and county level and between agencies within the Department in Washington. He said that more than one-third of the 8717 acres of cotton allotments transferred throughout the country in 1961 as a result of eminent domain proceedings were obtained by Estes. He said as early as October and December 1960 officials had ruled that "Estes-type" transfers were illegal "yet all of Estes' transfers were approved both at state and county levels." He said this was partly due to "inefficiency" but said "it is inconceivable that it is the complete answer." Kamerick said "it is difficult not to suspect bad faith" on the part of some of the Department employees involved in Estes' cotton allotment dealings. Kamerick said the Department did not keep written records of "almost all of the meetings and conferences involved in the Estes allotment case...." (For a background on Estes' cotton allotment dealings, see Weekly Report p. 938)

June 28 -- Secretary of Agriculture Orville L. Freeman said "no official or employee now in the Department is known or can reasonably be believed to have improperly accepted gifts or other favors from Estes." He said Estes had not received any special benefits from the Department, and that the Government "has lost no money through its business with Estes." Freeman said the Department had dismissed those officials who had accepted favors from Estes, including several members of the field service in Texas.

Freeman said Undersecretary Murphy had appointed Estes to the Cotton Advisory Committee despite Department questioning of Estes' allotment dealings because it was Murphy's view "that it was a civil legal dispute which did not affect his qualifications to remain on the Committee." Freeman said the decision was "made in good faith" but "it was a mistake." He said "for this as well as for other matters...I assume full responsibility." Freeman said the Department's study and investigation of the Estes case "has revealed some errors and shortcomings."

Freeman said that from 1960 onwards, Department officials were considering and developing regulations and instructions designed to prevent fraudulent allotment transfers. Freeman said "we do not at present have evidence that proves conclusively that all of these instructions were known to the county committees that were approving the (Estes cotton allotment) transfers." He said the "transfers should never have been approved in the first instance, and...they would not have been approved if it had not been for the very confused situation that prevailed in 1960 and 1961."



Political Notes

GOVERNOR'S CONFERENCE

The 54th annual Governor's Conference meeting in Hershey, Pa. July 1-4 passed resolutions on more than 50 matters, but failed to agree on two controversial measures. Following are highlights of the meeting:

CIVIL RIGHTS -- After a bitter floor fight and a filibuster by Gov. Ernest F. Hollings (D S.C.) the Governors failed to agree on a civil rights resolution. The dispute was resolved when the conference adopted by a vote of 32-8 a motion by Gov. David L. Lawrence (D Pa.) withdrawing three differing pending resolutions and asking each Governor to sign the version he favored. The dispute broke out when Gov. Nelson A. Rockefeller (R N.Y.) offered a more strongly-worded resolution in place of a more innocuous version that had been approved by a conference committee. Gov. John B. Swainson (D Mich.) then countered with another strongly-worded resolution of his own.

MEDICARE -- A watered-down resolution that would have put the conference on record as favoring "a medical care plan for the aged" without specifying how it was to be financed or administered was defeated when it failed to win the necessary two-thirds vote of approval. The vote on the measure was 19-14 in favor of approval. Many Governors abstained in the voting because of the confused and ambiguous wording of the resolution.

PRAYER -- The Governors approved a resolution favoring a constitutional amendment to permit "the free and voluntary participation in prayer in our public schools." The resolution was prompted by the June 25 decision of the U.S. Supreme Court outlawing state-sponsored prayers in public schools. (Weekly Report p. 1106) Gov. Rockefeller was the only one to abstain from the otherwise unanimous resolution. Rockefeller said he abstained because the matter should "have the fullest possible study and discussion before the Governors offer an opinion."

NATIONAL GUARD -- The Governors ignored a request to the Conference by Defense Secretary Robert S. McNamara for support of a reduction in national guard strength and unanimously passed a resolution urging the Defense Department to reconsider the proposed reduction. In a prepared text of his speech before the Governors, McNamara referred to "paper tiger" guard units, but the reference was later deleted from his speech. (For background on proposed National Guard cuts, see Weekly Report p. 942)

TAXES -- The Governors unanimously passed a resolution calling for a five percent rebate on federal personal income taxes collected within each state to be used for financing education within the state.

CUBAN REFUGEES -- A resolution asking the states to join in finding jobs and resettlement of Cuban refugees received unanimous passage.

1963 MEETING -- Gov. Albert D. Rosellini (D Wash.) was unanimously selected as the chairman of the 1963 Governor's Conference. He replaced Gov. Wesley Powell (R N.H.) under the system that rotates the chairmanship between the two parties. The Miami, Fla. area was selected as the site of the 1963 meeting.

RELATED DEVELOPMENT -- In a free-swinging press conference, Gov. Powell, the Conference chairman, said he hoped Republican National Chairman William E. Miller, who is also a member of the House of Representatives from New York's 40th Congressional District (Niagara Falls, Buffalo), would be replaced as soon as possible by someone who can devote all his energies to the National Committee job. Powell said Miller was "a wonderful member of the party," but "no Congressman or Governor can serve satisfactorily at the same time as National Chairman." Powell said the whole party was "crippled" by the lack of a full-time chairman and "there is a need to revamp the entire National Committee set-up." Powell also said he was considering entering the 1964 Presidential primaries.

ALL REPUBLICAN CONFERENCE

The All-Republican conference June 30 was formally established at a meeting of approximately 150 Republican party leaders at former President Dwight D. Eisenhower's Gettysburg, Pa. farm. (Weekly Report p. 915)

Republican National Chairman William E. Miller, was generally conceded to be the moving force behind the Conference which was originally suggested by Sen. Kenneth B. Keating (R N.Y.) after the 1960 elections. Miller said the meeting had been "called so that we can have a lasting program for the exchange of views" from all segments of the party. Miller gave the example of England where the party out of power has a shadow government which establishes adequate policy positions that are well thought out and approved by the entire minority party. "Our aim is to make clear what our party stands for and what our party is against and why," Miller said, "we should use the contributions of all who want to aid the party."

Miller said that when a party loses a national election as the Republicans did in 1960, the leaders of the party tend to go their separate ways with only occasional meetings of Governors, former cabinet members and other leading groups. There is no liaison of all parts of the party as a whole until the next national convention. Miller said this was a mistake, and the All-Republican conference was organized to fill the gap. "This is not because we are divided or dissatisfied with any party leaders," Miller said, "but in order to coordinate and unify our party and broaden its base." Miller said he wanted to correct the impression that the Republican party is just a few Republicans in a certain state "or in the Capitol." Miller said the aim of the Conference is to "let the American people know how many able, skilled leaders the party has -- and to permit them to make contributions."

The Republican Congressional leadership, however, is cool toward the All-Republican Conference, as were the Democratic Congressional leaders toward the Democratic Advisory Council which was in existence from 1956 to 1960. Senate Minority Leader Everett McKinley Dirksen (R Ill.), who attended the Conference, and House Minority Leader Charles A. Hallek (R Ind.) reportedly were neither consulted about nor approved of the

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establishment of the Conference. When asked about the Conference, Dirksen June 29 said "All I know is what I read in the papers," while Halleck said "I happen to think we've been doing pretty good ourselves (in Congress)."

The All-Republican Conference will be organized around an executive committee, with various subcommittees concerned with such matters as defense, foreign affairs, agriculture and fiscal policy working under the executive committee. It is planned that Eisenhower Administration specialists will aid the subcommittees in their special fields of competence.

Miller also announced plans for the establishment of a National Republican Citizens Committee to handle the financing and staffing of the All-Republican Conference. The new Citizens Committee will be nominally headed by Gen. Eisenhower but will be run by other top Republicans who were active in the Citizens for Eisenhower-Nixon during the 1956 campaign and in various local Republican "citizens" groups around the country. Miller said the new Citizens Committee will serve as the "money and muscle" of the Republican Conference.

The new organizations are not expected to go into full operation until after the 1962 elections.

Sen. Barry Goldwater (R Ariz.) who declined to attend the Gettysburg meeting, said in a July 2 letter to Miller that he was "dismayed" to learn that an organization was being set up "to duplicate what the National Committee is doing." Goldwater said that the "leaders of this new group contributed to the divisive tactics of the 1960 campaign when long-time and experienced Republican party leaders were shunted aside, ignored and embarrassed. In this list (of leaders) also will be found those who were responsible, in large part, for policies of the Eisenhower Administration which ran counter to the traditional principles of the Republican party and the counsel of regular party leaders.... these are the same people who caused most of our present party troubles. It is unthinkable that they should be given another opportunity to lead us down the path to political destruction." Goldwater July 5 said he was referring to the Citizens Committee, not the Conference, which he said was acceptable.

Miller said the All-Republican conference will attempt to meet about four times a year in various parts of the country and approve policy statements drafted by the subcommittees and the Citizens Committee staff. Miller said the professional staffs would "also be a way to aid Republican Members of Congress who are very much understaffed." Miller said "we are not fighting existing Republican organizations but seeking to help them."

Some Republican leaders feel that the long term success of the All-Republican Conference is dependent upon substantial participation by Republican Governors to counteract the hostility from many Congressional Republicans.

In a speech to the delegates at the All-Republican Conference meeting, former President Eisenhower appealed for party unity, saying he had "gotten so I despise the term liberal and I have almost gotten so I hate the term conservative. Neither has any meaning. I can't define them myself."

"If we can say we are for progress and responsibility in the same breath," Gen. Eisenhower said, "then I think we are going ahead. "Our country is facing a very critical period, and I believe that only some resurgence

of Republican control in our government is going to keep things on a more even keel than they seem to be going now."

Gen. Eisenhower also issued an appeal for more businessmen to enter politics, saying "they call ours a party of business and I'm proud of the label, but businessmen now have to do a little waking up.... Politics should be the first business of a businessman."

In opening remarks, Gen. Eisenhower had warm praise for "Advance," the Harvard University Republican magazine which had leveled sharp criticism at the Republican Congressional leadership of Dirksen and Halleck, (Weekly Report p. 108)

Among the many Republican candidates for office in the 1962 elections present at the meeting was former Vice President and 1960 Presidential candidate Richard M. Nixon, who is a candidate for Governor of California. Two other notable Republican gubernatorial candidates, Gov. Nelson A. Rockefeller (R N.Y.) and George W. Romney, who is running for Governor in Michigan, were unable to attend because of speaking engagements.

MARYLAND APPORTIONMENT DECISION

Anne Arundel Circuit Judge O. Bowie Duckett June 28 ruled that the apportionment of seats in the Maryland State Senate on a geographical basis was constitutional. Judge Duckett May 24 had ruled that the apportionment of the State House of Delegates violated the "equal protection" clause of the 14th Amendment to the U.S. Constitution, but at that time Judge Duckett refused to order reapportionment of the State Senate as well. (Weekly Report p. 969)

In his latest decision upholding the apportionment of the State Senate, which has one member from each county, plus one member for each of Baltimore's six legislative districts, Judge Duckett said that such geographical representation was valid and constitutional because "the system protects minorities and prevents legislation that is hasty, although it may be popular at the time; it preserves checks and balances and the Republican form of government; and it is based on history, tradition and reason."

"If the federal system of checks and balances is good for the nation," Judge Duckett said, "it likewise should be good for the states."

The Committee for Fair Representation, which was the plaintiff in the suit, argued that such federal system was valid only among the sovereign states which created the federal government, while counties were merely political subdivisions of the state with no sovereignty of their own. Judge Duckett rejected the plaintiff's argument, stating that the word "sovereignty" should not be allowed to decide the issue, and pointed out that the states have not had absolute sovereignty since the American Revolution.

The plaintiffs said they planned an immediate appeal to the Maryland Court of Appeals.

VIRGINIA REPUBLICANS

Winchester fruit grower J. Kenneth Robinson (R), 46, June 30 received the Republican Congressional nomination in Virginia's 7th District (North Central - Staunton, Winchester). Robinson, who has not yet indicated he will accept the nomination, defeated the only announced candidate, Dr. Thomas M. Hall (R), on the first ballot at the

district Republican convention in Harrisonburg. The convention vote was 84 to 37. There were reports on the convention floor that Robinson might not agree to run until after the July 10 Democratic primary. (Weekly Report p. 1099)

Republicans feel that they will have an excellent chance to pick up the House seat with Robinson as their candidate, particularly since incumbent Rep. Burr P. Harrison (D) is retiring from Congress.

MAINE PRIMARY RESULTS

Former state Grange master Maynard C. Dolloff (D), 48, June 28 was declared the winner of the Maine Democratic gubernatorial nomination over Democratic National Committeeman Richard J. Dubord (D), 40. Final official returns gave Dolloff 18,234 votes to 18,007 for Dubord. (Weekly Report p. 1073)

NEW YORK CONSERVATIVES

The Conservative party of New York June 27 announced that it had selected Fordham University professor and former foreign service officer Robert Thompson Pell, 60, as its candidate for the U.S. Senate. (Weekly Report p. 264)

In accepting the unanimous nomination of the party's state committee, Pell said that Gov. Nelson A. Rockefeller (R N.Y.) and Sen. Jacob K. Javits (R N.Y.) had turned the Republican party in New York into a "craven image of the Democratic party." Pell said he was running because he believed that "democracy can survive only if there is discussion and debate of the fundamental issues of our time in the foreign and domestic fields. Pell, a cousin of Sen. Claiborne Pell (D R.I.), said that Javits was "just a carbon copy of the Humphreys, Neuberger, Morses and Churches of the Senate"....who "has come to be known in Washington as 'Mr. ADA.'"

Kieran O'Doherty, Conservative state chairman, June 27 said that the party had 13,000 to 15,000 active workers in 64 clubs in the state, with a goal of 300 clubs. He said the Conservative party planned to run a full state-wide slate in the Nov. 6 general election.

GEORGIA REPUBLICANS

Georgia Republican State Chairman James Dorsey June 27 announced that the party had failed to find a candidate for Governor to replace A. Edward Smith (R), who was killed June 5 in an automobile accident. Dorsey said that efforts to find a new Republican nominee would cease. (Weekly Report p. 1072)

Dorsey said that despite the fact that the Republicans would not have a gubernatorial candidate in 1962, "we must and we will go forward by directing our efforts toward the Congressional races, local races and particularly the Georgia Senate and House."

MINNESOTA ENDORSEMENT

State Rep. Robert J. Odegard (R), 42, of Princeton, Minn. June 27 won the Republican convention endorsement to run for the U.S. House of Representatives from Minnesota's 6th Congressional District (Southwest). Incumbent Rep. H. Carl Andersen (R) June 7 announced he would run for re-election as an independent. (Weekly Report p. 1042)

EISENHOWER CRITICISM

Former President Dwight D. Eisenhower, addressing a July 22 Republican fund-raising rally in Washington, D.C., charged that the Kennedy Administration was "floundering -- thrashing aimlessly and a bit desperately about -- in the surging financial, fiscal and economic currents of our times." He said the economy had become uncertain, stock prices had fallen, economic growth had dropped behind previous rates, and unemployment, the adverse balance of payments and increased federal spending continued to be problems. He said the Administration seemed "almost driven to alienate major elements of the business community," was angry with the medical profession for opposing its medical care bill and did not believe in a balanced budget.

DEFENSE SPENDING

Mr. Eisenhower said the defense budget "should be substantially reduced" and that "unjustified fears, plus a reluctance in some quarters to relinquish outmoded concepts" were reflected in defense spending.

Deputy Secretary of Defense Roswell L. Gilpatric July 2 said he had seen no "concrete evidence" of the military-industrial complex against which Mr. Eisenhower had warned in 1961. He said there was pressure from many areas but "you will only need to worry when (Defense Secretary Robert S.) McNamara, the service secretaries and people in my position are unable to cope with this situation."

In his final message to the Nation on Jan. 17, 1961, Mr. Eisenhower warned that "in the councils of government, we must guard against the acquisition of unwarranted influence, whether sought or unsought, by the military-industrial complex." (1961 Almanac p. 938. For Fact Sheet, see 1961 Weekly Report p. 463)

KENNEDY POPULARITY

The Gallup Poll for June showed that 71 percent of the persons interviewed approved of the way President Kennedy was "handling his job", 19 percent disapproved, and 10 percent gave no opinion. The poll was taken after the recent market slump. The 71 percent approval vote was a drop of two percent from the May figure. The trend of the approval vote since January: Jan. 77%; Feb. 78%; March 79%; April 77%; May (after the steel crisis) 73%; June (after the stock market slump) 71%.

BAILEY ATTACKS GOP

Democratic National Committee Chairman John M. Bailey June 29 said the House Republican leadership had promoted a "parade to nowhere" in efforts to block the Administration's trade bill. He said it was fortunate for the nation that "43 House Republicans deserted this selfish leadership and put the country's interests ahead of partisanship" by opposing the recommittal motion. (Weekly Report p. 1084)

ADDONIZIO RESIGNATION

Rep. Hugh J. Addonizio (D N.J.) June 21 announced he would resign his seat to become Mayor of Newark, N.J. The resignation was effective June 30. Addonizio was a member of the Banking and Currency Committee.



Pressures On Congress

AMA POLITICAL COMMITTEE

Dr. Donald E. Wood, a director of the American Medical Assn.'s Political Action Committee June 24 disclosed that the committee had taken part in fifteen congressional primaries, mainly in the South. The committee was formed in July 1961 to enable doctors to support political candidates "sympathetic to the viewpoint of medicine" (1961 Weekly Report p. 1978). Dr. Wood said the committee had not advertised its backing of candidates. Reportedly, five of the primaries were in Florida, and eleven of the AMA-supported 15 candidates were successful.

The Political Action Committee was established as an independent, voluntary, nonprofit, nonpartisan, unincorporated group to support specific candidates. Reportedly the AMA contributed \$50,000 to the Committee in 1961 for "educational" purposes and \$50,000 in 1962.

Dr. Leonard W. Larson, outgoing president of the AMA, June 25 urged delegates to the AMA 111th annual convention to contribute to the committee. He said "it is imperative that physicians, their wives, and other adult members of their families become active in politics to a degree they never have before."

C. Joseph Stetler, secretary of the Political Action Committee, June 24 told the delegates that "medicine must play an increasing role in day-to-day political activities." He said "something similar" to the King-Anderson medical care for the aged bill would be introduced in the next Congressional session and "an effective lobby must be maintained to defeat it."

The AMA June 28 at the convention reaffirmed its "active opposition" to the King-Anderson bill. The AMA did not take any action on a resolution offered by the Louisiana delegation calling upon doctors not to participate in the medical care program if it or a similar bill became law, but delegates noted that the AMA's "Principle of Ethics" directs that a physician should not practice medicine under conditions which interfere with free exercise of medical judgment. In effect, the individual doctor would decide whether or not to participate in a Government-sponsored medical plan.

Dr. George M. Fister of Utah was inaugurated June 26 as the new AMA President. Dr. Edward R. Annis of Miami was chosen President-elect of the AMA June 28.

FOREIGN AID

Charles L. Bacon, national commander of the American Legion, June 8 sent a letter to each of the Senators who voted for the amendment to S 2996, the foreign aid bill, prohibiting aid to "any country known to be dominated by Communism or Marxism", extending the Legion's congratulations for "your stand...." (Weekly Report p. 957)

Clarence H. Olson, acting director of the National Legislative Commission of the Legion, June 8 sent a letter to several members of the House Foreign Affairs Committee urging them to "use your influence to the end that the House Committee...and the House itself, incorporate in foreign assistance legislation, language identical to that approved by the Senate."

The Legion's National Legislative Bulletin said the letters had been sent out before "unfortunately the Senate reconsidered its action and retreated slightly" by adopting a modification to the amendment giving the President authority to send surplus food to iron curtain countries. The bulletin said "the American Legion is not in favor of aid to these countries in any form."

CHINESE REFUGEES

The Emergency Committee for Chinese Refugees, an ad hoc committee formed to bring the situation of the Chinese refugees in Hong Kong "to the attention of the American people and the peoples of other free nations, and, by that token, to stimulate specific action," June 7 called for "immediate Congressional adoption" of S 3403, a bill providing for an increase in the number of Chinese refugees to be admitted annually to the U.S. from 105 to 5,335. (Weekly Report p. 1026)

Formation of the Committee was announced by Justice William O. Douglas of the Supreme Court, news commentator Lowell Thomas, Rep. Walter H. Judd (R Minn.) and Sens. Paul H. Douglas (D Ill.) and John G. Tower (R Texas).

PRESSURE POINTS

● **METHODISTS PRAISE PRESIDENT** -- The Virginia Methodist Conference's Board of Social Concerns, in its June 13 annual report, said President Kennedy "deserves the support of every Protestant churchman in America" for his stand on separation of church and state. The report said: "There has been tremendous pressure placed upon him by his own church to break down this well-established American principle.... Each of us, at some time, may experience an easy way to finance our various church projects through use of state or federal funds. Let us not sacrifice the principle for easy money."

● **MIGRANT LABOR** - Sen. Harrison A. Williams (D N.J.) June 26 in the Senate said "some of the Nation's most powerful farm interests have launched a massive and deliberate campaign of half-truths and distorted facts aimed at arousing the entire farm community against one of the most important needed migratory bills now before the Congress." (The bill, S 1129, was designed to stabilize and insure an adequate, well-trained domestic farm labor force through improved programs of recruitment, transportation and distribution of domestic agricultural workers; and assurances and guarantees respecting the rights and obligations of agricultural employers and employees using the recruitment program. (Weekly Report p. 99) Williams said "the facts suggest that behind this attack are a small number of growers who are the major users of Mexican farm labor supplied through the bracero program under Public Law 78." He said "accustomed to economic benefits gained through the bracero program, a few growers seek to retain this advantage at the expense of the small farmer." Williams said "these growers, along with policymakers in a few farm associations, use paid lobbyists in Washington to campaign against S 1129."

Index to Latest CQ Coverage of Major Issues

(Dates listed in the Congressional Boxscore, inside front cover, also may be used as a guide in locating specific CQ committee and floor action stories on major legislation. For complete references to all topics, see the CQ Index, published quarterly.)

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President's Messages

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RECREATION PROGRAMS

(Continued from p. 1145)

provisions of S 543, the Shoreline Parks bill, which passed the Senate Aug. 28, 1961. (1961 Almanac p. 446) S 3117 and HR 11165 confer statutory authority on the Bureau of Outdoor Recreation established within the Interior Department by executive action April 2 (Weekly Report p. 541); provide for maintaining a continuing inventory of outdoor recreation needs and resources in this country, and authorize the appropriation of \$50 million over a seven-year period under a new grant program to help states plan for recreation areas and state parks. S 543 authorizes the appropriation of

\$800,000 to study 14 shoreline areas for possible inclusion within the National Park System and the shoreline areas within the U.S. Forest Service system. It also authorizes an appropriation of \$25 million in a new grant-in-aid program to help states buy up shoreline areas for state recreation and park areas.

S 857 establishing the Cape Cod National Seashore Park in Massachusetts was enacted into law Aug. 7, 1961. Two other national seashore park bills are expected to be enacted into law this year: S 476, Point Reyes, Calif., pending before the House Rules Committee, and S 4, Padre Island, Texas, now awaiting approval of the House Interior Committee. (1961 Almanac p. 445; Weekly Report p. 585)

CQ Senate Votes 80 through 84.

(No Congressional Record Roll-Call Vote Numbers.)

Senate Approves \$308 Billion Debt Limit; Recommits Export Control Compromise; Rejects Renegotiation Act Amendments

80. HR 11990. Increase temporarily the public debt limit to \$308 billion beginning July 1, 1962, with provisions for gradual reduction to a limit of \$300 billion by June 30, 1963. Williams (R Del.) amendment to make the ceiling \$306 billion. Rejected 37-52: R 28-4; D 9-48 (ND 3-31; SD 6-17), June 28, 1962. A "nay" was a vote supporting the President's position. (See story p. 1131)
81. HR 11990. Passage of the bill. Passed 55-34: R 12-20; D 43-14 (ND 32-2; SD 11-12), June 28, 1962. A "yea" was a vote supporting the President's position.
82. S 3161. Amend and extend the Export Control Act of 1949. Conference report extending the Act for one year without amendment. Keating (R N.Y.) motion to reject the conference report. Motion agreed to 44-33: R 30-1; D 14-32 (ND 7-22; SD 7-10), June 28, 1962. The President did not take a position on the motion. (See story p. 1127)
83. HR 12061. Amend and extend the Renegotiation Act of 1951 for two years, until June 30, 1964. Senate Finance Committee amendment to prohibit Government agencies under the Act from inserting in renegotiable contracts provisions which limit the profits of contractors. Rejected 26-46: R 19-6; D 7-40 (ND 0-28; SD 7-12), June 29, 1962. The President did not take a position on the amendment. (See story p. 1129)
84. HR 12061. Senate Finance Committee amendment to exempt from renegotiation standard commercial articles and services leased to the Government. Rejected 28-38: R 20-2; D 8-36 (ND 0-27; SD 8-9), June 29, 1962. The President did not take a position on the amendment.

80 81 82 83 84	80 81 82 83 84	80 81 82 83 84	Y Record Vote For (yea). ✓ Paired For. ‡ Announced For, CQ Poll For. N Record Vote Against (nay). X Paired Against. - Announced Against, CQ Poll Against. ? Absent, General Pair, "Present," Did not announce or answer Poll.
ALABAMA Hill Sparkman ALASKA Bartlett Gruening ARIZONA Hayden Goldwater ARKANSAS Fulbright McClellan CALIFORNIA Engle Kuchel COLORADO Carroll Allott CONNECTICUT Dodd Bush DELAWARE Boggs Williams FLORIDA Holland Smathers GEORGIA Russell Talmadge HAWAII Long Fong IDAHO Church Dworshak ILLINOIS Douglas Dirksen	INDIANA Hartke Capehart IOWA Hickenlooper Miller KANSAS Carlson Pearson KENTUCKY Cooper Morton LOUISIANA Ellender Long MAINE Muskie Smith MARYLAND Beall Butler MASSACHUSETTS Smith Saltonstall MICHIGAN Hart McNamara MINNESOTA Humphrey McCarthy MISSISSIPPI Eastland Stennis MISSOURI Long Symington MONTANA Mansfield Metcalf	NEBRASKA Curtis Hruska NEVADA Bible Cannon NEW HAMPSHIRE Cotton Murphy NEW JERSEY Williams Case NEW MEXICO Anderson Chavez NEW YORK Javits Keating NORTH CAROLINA Ervin Jordan NORTH DAKOTA Burdick Young OHIO Lausche Young OKLAHOMA Kerr Monroney OREGON Morse Neuberger PENNSYLVANIA Clark Scott RHODE ISLAND Pastore Pell	SOUTH CAROLINA Johnston Thurmond SOUTH DAKOTA Vacancy Mundt TENNESSEE Gore Kefauver TEXAS Yarborough Tower UTAH Moss Bennett VERMONT Aiken Prouty VIRGINIA Byrd Robertson WASHINGTON Jackson Magnuson WEST VIRGINIA Byrd Randolph WISCONSIN Proxmire Wiley WYOMING Hickey McGee

Democrats in this type; Republicans in italics

CQ Senate Votes 85 through 86.

(No Congressional Record Roll-Call Vote Numbers.)

Senate Agrees to Sugar Act Conference Report, 54-12; Rejects Proxmire Sugar Rider to Honeybee Bill, 26-40

85. HR 12154. Sugar Act Amendments of 1962. Conference report agreed to 54-12: R 19-4; D 35-8 (ND 22-6; SD 13-2), July 2, 1962. The President did not take a position on the conference report. (See story p. 1121)

86. HR 8050. Restrict imports of adult honey bees. Proxmire (D Wis.) amendment to Mansfield (D Mont.) rider amending the 1962 sugar bill (HR 12154, above). Proxmire proposed to eliminate all sugar quotas for countries not in the Western Hemisphere except the Philippines and Formosa and -- as did the Mansfield rider -- to give the President authority to distribute 150,000 tons to Western Hemisphere countries at his discretion. Rejected 26-40: R 13-11; D 13-29 (ND 11-18; SD 2-11), July 5, 1962. The President did not take a position on the amendment. (See story 1121)

85 86		85 86		85 86		Y Record Vote For (yea). ✓ Paired For. ‡ Announced For, CQ Poll For. N Record Vote Against (nay). X Paired Against. - Announced Against, CQ Poll Against. ? Absent, General Pair, "Present," Did not announce or answer Poll.
						85 86
ALABAMA		INDIANA		NEBRASKA		SOUTH CAROLINA Johnston Y N Thurmond Y N SOUTH DAKOTA Vacancy Mundt Y N TENNESSEE Gore ‡ ? Kefauver ‡ Y TEXAS Yarborough Y ? Tower ? ? UTAH Moss Y N Bennett Y N VERMONT Aiken Y N Prouty ‡ ? VIRGINIA Byrd Y ? Robertson Y ? WASHINGTON Jackson Y N Magnuson ‡ - WEST VIRGINIA Byrd Y Y Randolph Y N WISCONSIN Proxmire N Y Wiley Y Y WYOMING Hickey Y N McGee ‡ N
Hill Y N		Hartke ‡ -		Curtis Y N		
Sparkman ✓ N		Capehart ? ?		Hruska Y -		
ALASKA		IOWA		NEVADA		
Bartlett ‡ ?		Hickenlooper N Y		Bible Y -		
Gruening ‡ -		Miller N Y		Cannon Y N		
ARIZONA		KANSAS		NEW HAMPSHIRE		
Hayden Y N		Carlson ‡ N		Cotton Y Y		
Goldwater ? Y		Pearson ✓ X		Murphy ‡ Y		
ARKANSAS		KENTUCKY		NEW JERSEY		
Fulbright N Y		Cooper Y ?		Williams Y N		
McClellan N N		Morton ? ?		Case N N		
CALIFORNIA		LOUISIANA		NEW MEXICO		
Engle Y Y		Ellender Y N		Anderson Y N		
Kuchel Y N		Long Y -		Chavez ‡ Y		
COLORADO		MAINE		NEW YORK		
Carroll ‡ -		Muskie Y Y		Javits Y Y		
Allott Y N		Smith Y Y		Keating Y Y		
CONNECTICUT		MARYLAND		NORTH CAROLINA		
Dodd Y Y		Beall ‡ Y		Ervin ‡ N		
Busb Y ?		Butler ? ?		Jordan ‡ -		
DELAWARE		MASSACHUSETTS		NORTH DAKOTA		
Boggs X Y		Smith X ?		Burdick ‡ -		
Williams N Y		Saltonstall ‡ ?		Young Y N		
FLORIDA		MICHIGAN		OHIO		
Holland Y N		Hart ‡ Y		Lausche N ?		
Smathers ‡ ?		McNamara Y N		Young N Y		
GEORGIA		MINNESOTA		OKLAHOMA		
Russell ‡ -		Humphrey Y -		Kerr Y N		
Talmadge Y -		McCarthy Y -		Monroney Y N		
HAWAII		MISSISSIPPI		OREGON		
Long Y N		Eastland ‡ N		Morse Y N		
Fong Y N		Stennis Y -		Neuberger N Y		
IDAHO		MISSOURI		PENNSYLVANIA		
Church ‡ ?		Long Y N		Clark N Y		
Dworshak Y Y		Symington Y N		Scott Y ✓		
ILLINOIS		MONTANA		RHODE ISLAND		
Douglas N Y		Mansfield Y N		Pastore - N		
Dirksen Y N		Metcalf Y N		Pell ‡ N		

Democrats in this type; Republicans in Italics

CQ House Votes 51 through 56.

(Corresponding to Congressional Record Roll-Call Vote Nos. 137, 138, 141, 144, 145, 146.)

House Passes Anti-Crime, Clear Channel, Pacific Territory, Ship Subsidy Bills; Clears Sugar Act, Air Carriers Bill

51. S 1658. Amend the Johnson Act of 1951 by banning the interstate transportation of gambling machines, except to gambling establishments where betting is legal under state law. Passed 348-1: R 146-1; D 202-0 (ND 116-0; SD 86-0), June 29, 1962. The President did not take a position on the bill. (See story p. 1130)
52. S 1969. Amend the Federal Aviation Act of 1958 to give the Civil Aeronautics Board permanent authority to license and regulate supplemental airlines. Conference report agreed to 337-0: R 144-0; D 193-0 (ND 110-0; SD 83-0), June 29, 1962. The President did not take a position on the bill. (See story p. 1126)
53. HR 12154. Sugar Act Amendments of 1962. Conference report agreed to 248-31: R 101-15; D 147-16 (ND 79-10; SD 68-6), June 30, 1962. The President did not take a position on the conference report. (See story p. 1121)
54. HR 11586. Extend for three years the 55 percent ceiling on Government cost-differential subsidies for domestic ship construction and conversion and raise to 60 percent, for

three years, the ceiling on subsidies for reconstruction and reconversion of passenger ships. Passed 293-5: R 125-4; D 168-1 (ND 94-1; SD 74-0), July 2, 1962. The President did not take a position on the bill. (See story p. 1126)

55. S 2775. Increase authorizations for administration of the Trust Territory of the Pacific Islands from \$7,500,000 to \$17,500,000 and limit to \$15,000,000 the funds to be appropriated in fiscal 1963. Passed 281-14: R 121-6; D 160-8 (ND 94-0; SD 66-8), July 2, 1962. The President did not take a position on the bill. (See story p. 1129)

56. H Res 714. Resolution expressing the sense of the House that the Federal Communications Commission should permit the 25 existing clear channel AM radio stations to operate on more power than the current 50 kilowatt limit and that the FCC should declare a one-year moratorium on proposals to permit a second station to operate on 13 of the existing clear channels. Adopted 198-87: R 61-59; D 137-28 (ND 77-15; SD 60-13), July 2, 1962. The President did not take a position on the resolution. (See story p. 1128)

51 52 53 54 55 56						51 52 53 54 55 56						51 52 53 54 55 56						- KEY -							
ALABAMA						ALASKA						ARIZONA						Y Record Vote For (yea). ✓ Paired For. ‡ Announced For, CQ Poll For. N Record Vote Against (nay). X Paired Against. - Announced Against, CQ Poll Against. ? Absent, General Pair, "Present," Did not announce or answer Poll.							
3 Andrews	Y	Y	Y	Y	Y	AL Rivers	Y	Y	?	?	?	2 Udall M.	Y	Y	Y	Y	N								
1 Boykin	?	?	?	?	?	1 Rhodes	Y	Y	Y	Y	N	1 Rhodes	Y	Y	Y	Y	N	51 52 53 54 55 56							
7 Elliott	Y	Y	Y	Y	Y	ARKANSAS							5 Alfond	?	?	?	?	?	IOWA						
2 Grant	Y	Y	Y	Y	Y	1 Gathings	Y	Y	?	?	?	4 Harris	Y	Y	Y	Y	Y	6 Coad	Y	Y	?	?	?	?	
9 Huddleston	Y	Y	Y	Y	Y	2 Mills	Y	Y	Y	Y	Y	2 Harris	Y	Y	Y	Y	Y	5 Smith	Y	Y	Y	?	?	?	
8 Jones	?	?	?	Y	Y	6 Norrell C.	Y	Y	Y	Y	?	3 Gross	Y	Y	Y	N	N	2 Bromwell	?	?	?	Y	Y	N	
5 Rains	?	?	?	?	?	3 Trimble	Y	Y	Y	Y	Y	8 Hoeven	Y	Y	?	?	?	7 Jensen	Y	Y	Y	?	?	?	
4 Roberts	Y	Y	Y	Y	Y	CALIFORNIA							4 Kyl	?	?	?	?	?	1 Schwengel	?	?	Y	Y	Y	Y
6 Selden	Y	Y	Y	Y	Y	7 Cohelan	Y	Y	Y	Y	Y	1 Schwengel	?	?	Y	Y	Y	KANSAS							
ALASKA						14 Hagen	Y	Y	Y	Y	Y	5 Breeding	Y	Y	Y	Y	Y	1 Avery	Y	Y	Y	Y	Y	Y	
AL Rivers	Y	Y	?	?	?	2 Johnson	Y	Y	?	?	?	6 Dole	Y	Y	Y	Y	Y	6 Dole	Y	Y	Y	Y	Y	N	
ARIZONA						11 McFall	Y	Y	Y	Y	Y	2 Ellsworth	Y	Y	?	?	?	2 Ellsworth	Y	Y	?	?	?	?	
2 Udall M.	Y	Y	Y	Y	N	1 Miller C.	Y	Y	Y	?	?	3 McVey	?	?	?	?	?	3 McVey	Y	Y	Y	Y	Y	N	
1 Rhodes	Y	Y	Y	Y	N	8 Miller G.P.	?	?	?	?	?	4 Sbriver	Y	Y	Y	Y	Y	KENTUCKY							
ARKANSAS						3 Moss	?	?	?	Y	Y	9 Yates	?	?	?	?	?	?	3 Burke	?	?	?	Y	Y	Y
5 Alfond	?	?	?	?	?	29 Saud	?	?	?	?	?	13 Church	Y	Y	Y	Y	Y	4 Chelf	Y	Y	Y	Y	Y	Y	
1 Gathings	Y	Y	?	?	?	5 Shelley	Y	Y	?	Y	Y	10 Collier	Y	Y	Y	Y	Y	2 Natcher	Y	Y	Y	Y	Y	N	
4 Harris	Y	Y	Y	Y	Y	17 Sheppard	Y	Y	?	Y	Y	4 Derwinski	Y	Y	?	?	?	7 Perkins	Y	Y	Y	Y	Y	Y	
2 Mills	Y	Y	Y	Y	Y	22 Sisk	Y	Y	?	?	?	5 Roush	Y	Y	Y	Y	Y	5 Spence	?	?	?	?	?	?	
6 Norrell C.	Y	Y	Y	Y	Y	6 Baldwin	Y	Y	Y	Y	N	4 Adair	Y	Y	Y	Y	Y	1 Stubblefield	Y	Y	Y	Y	Y	N	
3 Trimble	Y	Y	Y	Y	Y	10 Gubser	Y	Y	Y	Y	N	7 Bray	Y	Y	N	Y	Y	6 Watts	Y	Y	Y	?	?	?	
CALIFORNIA						4 Mailliard	?	?	?	Y	Y	28 Utt	Y	Y	Y	Y	N	8 Siler	Y	Y	Y	Y	N	N	
7 Cohelan	Y	Y	Y	Y	Y	13 Teague	Y	Y	Y	Y	N	30 Wilson	Y	Y	?	?	Y	LOUISIANA							
14 Hagen	Y	Y	Y	Y	Y	28 Utt	Y	Y	Y	Y	N	9 Younger	Y	Y	Y	Y	Y	2 Boggs	Y	Y	Y	?	?	?	
2 Johnson	Y	Y	?	?	?	30 Wilson	Y	Y	?	?	Y	Los Angeles Co.						4 Waggonner	Y	Y	Y	?	?	?	
11 McFall	Y	Y	Y	Y	Y	22 Corman	?	?	?	?	?	23 Doyle	Y	Y	Y	Y	Y	1 Hebert	Y	?	✓	Y	✓	Y	
1 Miller C.	Y	Y	Y	?	?													8 McSween	?	?	?	?	?	?	
8 Miller G.P.	?	?	?	?	?																				
3 Moss	?	?	?	Y	Y																				
29 Saud	?	?	?	?	?																				
5 Shelley	Y	Y	?	Y	Y																				
17 Sheppard	Y	Y	?	Y	Y																				
22 Sisk	Y	Y	?	?	?																				
6 Baldwin	Y	Y	Y	Y	N																				
10 Gubser	Y	Y	Y	Y	N																				
4 Mailliard	?	?	?	Y	Y																				
13 Teague	Y	Y	Y	Y	N																				
28 Utt	Y	Y	Y	Y	N																				
30 Wilson	Y	Y	?	?	Y																				
9 Younger	Y	Y	Y	Y	Y																				
Los Angeles Co.																									
22 Corman	?	?	?	?	?																				
23 Doyle	Y	Y	Y	Y	Y																				

Democrats in this type; Republicans in Italics

CQ House Votes 51 through 56.

(Corresponding to Congressional Record Roll-Call Vote Nos. 137, 138, 141, 144, 145, 146.)

51	52	53	54	55	56	51	52	53	54	55	56	51	52	53	54	55	56	51	52	53	54	55	56	
6 Morrison	Y	Y	Y	Y	Y	NEBRASKA						5 Scott	Y	Y	Y	?	?	?	6 McMillan	Y	Y	Y	Y	Y
5 Passman	Y	Y	Y	Y	Y	3 Beermann	Y	Y	Y	Y	Y	12 Taylor	Y	Y	Y	Y	Y	2 Riley C.	Y	?	?	Y	?	
7 Thompson	?	?	?	?	?	2 Cunningham	Y	Y	Y	Y	Y	11 Whitener	Y	Y	?	?	?	1 Rivers	?	?	?	?	?	
3 Willis	Y	Y	Y	?	?	4 Martin	Y	Y	Y	Y	Y	10 Jonas	Y	Y	Y	Y	?	SOUTH DAKOTA						
MAINE						1 Weaver	Y	Y	Y	Y	Y	NORTH DAKOTA						2 Berry	Y	Y	Y	Y	Y	
1 Garland	?	?	?	Y	N	NEVADA						AL Nygaard	?	?	?	Y	Y	1 Reifel	Y	Y	Y	Y	Y	
3 McIntire	Y	Y	Y	Y	Y	AL Baring	Y	?	N	?	?	AL Short	Y	Y	Y	Y	Y	TENNESSEE						
2 Tupper	Y	Y	Y	Y	Y	NEW HAMPSHIRE						OHIO						6 Bass	Y	Y	?	?	?	
MARYLAND						2 Bass	Y	Y	X	?	?	9 Ashley	Y	?	N	Y	Y	9 Davis	?	?	?	?	?	
2 Brewster	Y	Y	Y	Y	Y	1 Merrow	Y	Y	Y	?	?	11 Cook	Y	Y	?	?	?	8 Everett	Y	Y	Y	Y	Y	
4 Fallon	Y	Y	?	Y	Y	NEW JERSEY						20 Feighan	?	?	N	?	?	4 Evins	?	?	Y	?	Y	
7 Friedel	Y	Y	?	?	?	11 Addonizio						18 Hays	?	?	?	?	?	3 Frazier	?	?	?	?	?	
3 Garmatz	Y	Y	Y	Y	Y	14 Daniels	Y	Y	Y	Y	Y	19 Kirwan	?	?	✓	Y	Y	5 Loser	?	?	?	?	?	
1 Johnson	Y	Y	?	?	?	13 Gallagher	Y	Y	Y	Y	Y	10 Moeller	Y	Y	Y	?	?	7 Murray	Y	Y	Y	Y	Y	
5 Lankford	Y	Y	Y	Y	Y	8 Joelson	Y	Y	Y	Y	Y	21 Vanik	Y	Y	Y	Y	Y	2 Baker	Y	Y	Y	?	?	
6 Matbias	Y	Y	Y	Y	Y	10 Rodino	Y	Y	Y	Y	Y	17 Ashbrook	Y	Y	?	?	?	1 Reece L.	?	?	?	?	?	
MASSACHUSETTS						4 Thompson	Y	Y	X	?	Y	14 Ayres	Y	Y	Y	?	?	TEXAS						
2 Boland	Y	?	?	Y	Y	3 Auchincloss	Y	Y	Y	?	?	8 Betts	?	?	?	?	?	3 Beckworth	Y	Y	Y	Y	Y	
13 Burke	Y	Y	Y	Y	Y	1 Cahill	Y	Y	Y	Y	Y	22 Bolton	?	?	?	Y	Y	2 Brooks	Y	Y	Y	Y	Y	
4 Donohue	Y	Y	?	?	?	6 Dwyer	Y	Y	Y	Y	Y	16 Bow	Y	Y	Y	Y	Y	17 Burleson	Y	Y	Y	Y	Y	
7 Lane	Y	Y	?	Y	Y	5 Frelinghuysen	Y	?	Y	Y	Y	7 Brown	Y	Y	Y	Y	Y	22 Casey	?	?	?	Y	Y	
8 Macdonald	Y	Y	Y	?	?	2 Glenn	?	?	?	?	?	2 Clancy	Y	Y	N	Y	Y	7 Dowdy	Y	Y	Y	N	Y	
12 McCormack	Y	Y	Y	?	?	9 Osmers	Y	Y	Y	Y	Y	12 Devine	Y	Y	N	Y	Y	21 Fisher	?	?	?	?	?	
11 O'Neill	Y	Y	Y	?	?	12 Wallhauser	Y	Y	Y	Y	Y	6 Harsha	Y	Y	Y	Y	Y	20 Gonzalez	Y	Y	Y	Y	Y	
3 Philbin	Y	Y	?	?	?	7 Widnall	Y	Y	Y	Y	Y	5 Latta	Y	?	?	Y	?	15 Kilgore	Y	Y	N	Y	Y	
6 Bates	Y	Y	?	Y	Y	NEW MEXICO						4 McCulloch	?	?	?	?	?	19 Mahon	?	?	X	Y	Y	
1 Conte	Y	Y	Y	Y	Y	AL Montoya	Y	Y	?	?	?	23 Minshall	Y	Y	Y	?	?	1 Patman	Y	Y	Y	Y	Y	
10 Curtis	?	?	?	?	?	AL Morris	Y	Y	N	Y	Y	15 Moorehead	Y	Y	Y	Y	Y	11 Poage	Y	Y	?	?	?	
9 Keith	?	Y	Y	?	?	NEW YORK						13 Mosher	Y	Y	Y	Y	Y	13 Purcell	Y	Y	Y	Y	N	
14 Martin	?	?	?	?	?	41 Dulski	Y	Y	Y	Y	Y	3 Schenck	Y	Y	Y	Y	Y	4 Roberts	Y	Y	Y	Y	Y	
5 Morse	Y	Y	?	?	Y	30 O'Brien	Y	Y	?	Y	?	1 Scherer	Y	Y	Y	Y	Y	18 Rogers	?	?	X	Y	Y	
MICHIGAN						1 Pike	Y	Y	Y	Y	Y	OKLAHOMA						16 Rutherford	Y	Y	N	Y	Y	
7 O'Hara	Y	Y	Y	Y	Y	32 Stratton	?	?	?	Y	Y	3 Albert	Y	Y	Y	Y	Y	6 Teague	Y	Y	N	Y	Y	
12 Bennett	Y	Y	Y	Y	Y	27 Barry	Y	Y	Y	?	?	2 Edmondson	?	?	?	Y	Y	8 Thomas	Y	Y	Y	Y	Y	
18 Broomfield	Y	Y	N	N	Y	3 Becker	Y	?	?	Y	Y	5 Jarman	Y	Y	Y	Y	Y	9 Thompson	Y	Y	Y	Y	Y	
10 Cederberg	Y	Y	Y	?	?	2 Deroumian	Y	Y	?	Y	Y	4 Steed	Y	?	Y	Y	Y	10 Thornberry	Y	Y	Y	Y	Y	
6 Chamberlain	Y	Y	Y	?	?	26 Dooley	Y	Y	Y	Y	Y	6 Wickersham	Y	Y	Y	Y	?	12 Wright	Y	Y	Y	Y	Y	
5 Ford	Y	Y	Y	Y	Y	43 Goodell	Y	?	?	N	Y	1 Belcher	Y	Y	Y	?	Y	14 Young	Y	Y	N	Y	Y	
9 Griffin	Y	Y	?	Y	?	33 Kilburn	?	?	?	?	?	OREGON						5 Alger	Y	?	?	?	?	
8 Harvey	Y	Y	Y	?	?	31 King	Y	Y	Y	Y	Y	3 Green	Y	Y	Y	Y	?	UTAH						
4 Hoffman	?	?	?	?	?	40 Miller	Y	Y	?	?	?	2 Ullman	?	?	?	Y	Y	2 King	Y	Y	Y	?	?	
3 Johansen	Y	Y	N	Y	N	39 Ostertag	Y	Y	Y	Y	Y	4 Durno	Y	Y	Y	Y	Y	1 Peterson	Y	Y	Y	?	?	
11 Knox	Y	Y	Y	?	?	42 Pillion	Y	Y	N	Y	Y	1 Norblad	Y	Y	Y	Y	Y	VERMONT						
2 Meader	Y	Y	Y	Y	Y	34 Pirnie	Y	Y	Y	Y	Y	PENNSYLVANIA						AL Stafford	Y	Y	Y	Y	Y	
Detroit - Wayne County						35 Riehlman	Y	Y	?	?	?	25 Clark	Y	Y	Y	Y	Y	VIRGINIA						
13 Diggs	Y	Y	Y	Y	?	37 Robison	Y	Y	Y	Y	Y	21 Dent	Y	Y	Y	Y	Y	4 Abbitt	Y	Y	?	Y	Y	
15 Dingell	Y	Y	?	Y	Y	28 St. George	N	Y	Y	?	?	11 Flood	?	?	?	?	?	1 Downing	Y	?	Y	Y	Y	
17 Griffiths	Y	Y	?	?	?	36 Taber	Y	Y	N	?	?	30 Holland	Y	Y	Y	Y	Y	3 Gary	Y	Y	Y	Y	Y	
16 Lesinski	Y	Y	Y	?	?	38 Weis	Y	Y	Y	?	?	28 Moorhead	Y	Y	?	?	?	2 Hardy	Y	Y	Y	Y	Y	
1 Nedzi	Y	Y	Y	?	?	29 Wharton	Y	Y	Y	Y	Y	26 Morgan	Y	Y	Y	Y	Y	7 Harrison	?	?	?	?	?	
14 Ryan	Y	Y	Y	?	?	New York City						14 Rhodes	Y	Y	?	Y	Y	9 Jennings	Y	Y	?	?	?	
MINNESOTA						5 Addabbo	Y	Y	?	Y	Y	15 Walter	Y	Y	?	Y	Y	8 Smith	?	?	?	Y	N	
8 Blatnik	Y	?	?	Y	Y	8 Anfuoso	?	?	?	?	?	29 Corbett	Y	Y	Y	?	?	5 Tuck	Y	Y	Y	Y	Y	
4 Karth	Y	Y	Y	Y	Y	24 Buckley	?	?	?	?	?	8 Curtin	Y	Y	Y	Y	Y	10 Broyhill	Y	Y	?	Y	Y	
6 Marshall	Y	Y	N	N	Y	12 Carey	?	?	?	Y	Y	9 Dague	Y	Y	Y	Y	Y	6 Poff	Y	Y	?	Y	N	
7 Andersen	Y	Y	Y	Y	Y	11 Celler	?	?	?	?	?	12 Fenton	Y	Y	Y	Y	Y	WASHINGTON						
5 Judd	Y	Y	?	Y	Y	7 Delaney	?	?	?	?	?	27 Fulton	Y	Y	Y	Y	Y	3 Hansen	Y	Y	Y	?	Y	
9 Langen	Y	Y	Y	Y	Y	19 Farbstein	?	?	?	?	?	23 Gavin	Y	Y	Y	Y	Y	7 Magnuson	Y	Y	Y	Y	Y	
3 MacGregor	Y	Y	?	?	?	23 Gilbert	Y	?	?	?	?	19 Goodling	Y	Y	Y	Y	Y	5 Horan	?	?	?	?	?	
2 Nelsen	Y	Y	?	Y	Y	22 Healey	?	?	?	Y	Y	24 Keams	?	Y	Y	Y	X	4 May	?	?	?	?	?	
1 Quie	Y	Y	Y	Y	Y	6 Rosenthal	Y	Y	Y	Y	Y	7 Milliken	Y	Y	Y	Y	Y	1 Pelly	Y	Y	Y	Y	N	
MISSISSIPPI						10 Kelly	Y	?	?	?	?	16 Kunkel	?	?	?	Y	Y	6 Tollefson	?	?	?	Y	Y	
1 Abernethy	Y	Y	Y	Y	Y	9 Keogh	?	?	?	?	?	22 Saylor	?	?	?	Y	Y	2 Westland	Y	Y	Y	Y	Y	
6 Colmer	Y	Y	?	?	?	13 Multer	?	?	?	Y	Y	17 Schneebeli	Y	Y	Y	Y	Y	WEST VIRGINIA						
3 Smith	Y	Y	?	?	?	16 Powell	?	?	?	?	?	13 Schweiker	Y	Y	Y	Y	Y	3 Bailey	?	?	?	Y	Y	
2 Whitten	Y	Y	Y	Y	Y	14 Rooney	Y	Y	Y	Y	Y	10 Scranton	?	?	?	?	?	4 Hechler	Y	Y	N	Y	N	
4 Williams	Y	Y	Y	Y	Y	20 Ryan	Y	Y	Y	Y	Y	20 Van Zandt	Y	Y	?	Y	Y	5 Kee	Y	Y	Y	Y	?	
5 Winstead	Y	Y	Y	Y	N	18 Santangelo	Y	Y	?	Y	Y	18 Whalley	Y	Y	?	Y	Y	6 Slack	?	?	?	?	?	
MISSOURI						21 Zelenko	?	?	?	?	?	Philadelphia City						2 Straggers	Y	Y	Y	Y	Y	
5 Bolling	Y	Y	N	?	?	25 Fino	?	?	?	?	?	1 Barrett	Y	?	?	Y	Y	1 Moore	Y	Y	?	Y	Y	
9 Cannon	Y	Y	Y	Y	Y	4 Halpern	?	Y	Y	Y	Y	3 Byrne	Y	Y	Y	Y	Y	WISCONSIN						
6 Hull	Y	Y	Y	Y	Y	17 Lindsay	Y	Y	Y	Y	Y	2 Granahan	?	?	?	Y	?	9 Johnson	?	Y	Y	Y	Y	
8 Ichard	Y	Y	?	?	?	15 Ray	Y	Y	N	N	N	5 Green	?	?	?	Y	?	2 Kastenmeier	Y	Y	N	?	?	
10 Jones	Y	Y	Y	Y	Y	NORTH CAROLINA						4 Nix	Y	Y	Y	?	?	5 Reuss	?	?	?	?	?	
1 Karsten	Y	Y	Y	Y	Y	9 Alexander	Y	Y	Y	N	N	6 Toll	Y	Y	Y	Y	Y	4 Zablocki	Y	Y	Y	Y	Y	
11 Moulder	Y	?	?	Y	Y	1 Bonner	?	?	?	Y	Y	RHODE ISLAND						8 Byrnes	Y	Y	?	Y	Y	
4 Randall	Y	Y	?	?	?	4 Cooley	Y	Y	Y	Y	Y	2 Fogarty	?	?	X	?	?	7 Laird	Y	Y	?	Y	Y	
3 Sullivan	Y	Y	Y	Y	Y	2 Fountain	Y	Y	Y	?	?	1 St. Germain	?	?	?	?	?	10 O'Konski	Y	Y	N	Y	Y	
2 Curtis	Y	Y	?	?	?	3 Henderson	Y	Y	Y	?	?	SOUTH CAROLINA						1 Schadeberg	Y	X	Y	Y	Y	
7 Hall	Y	Y	Y	Y	Y	8 Kitchin	Y	Y	Y	?	?	4 Ashmore	Y	Y	Y	?	?	3 Thomson	Y	Y	N	Y	Y	
MONTANA						6 Kornegay	Y	Y	?	?	?	3 Dorn	Y	Y	N	Y	N	6 Van Pelt	Y</					



CONGRESSIONAL QUARTERLY

The Week In Congress

Kennedy Boxscore After six months of work, the current session of Congress has given final approval to only 7 percent of President Kennedy's 1962 legislative requests. A CQ Fact Sheet lists 285 specific requests made by the President since the beginning of the year and notes the progress of each one. The score as of July 2: approved - 20; awaiting final action - 3; approved by one chamber only - 99; Committee activity only - 68; rejected - 20; ignored - 75. The President's batting average so far is well below his 1961 score, when he won approval of 10 percent of his requests by early May. (Page 1132)

Floor Action

Congress cleared for the President's signature bills to extend the export control and renegotiation acts, amend the sugar act, increase the debt limit to \$308 billion, establish a separate migration and refugee program, provide for all-channel TV sets and permit Civil Aeronautics Board licensing of non-scheduled airlines. The House passed an anti-crime bill and bills increasing the Small Business Administration revolving fund, increasing authorizations for Pacific trust territories, extending differential ship construction subsidies and endorsing improved radio service. (Pages 1121-1131)

Around the Capitol

Fiscal 1962 ended with a \$7 billion deficit and economic indicators were only moderately good for the future.... The Chamber of Commerce and AFL-CIO called for immediate tax cuts but President Kennedy said there was still no change in Administration plans for a cut next Jan. 1. (Page 1141).... American Medical Assn. spokesmen disclosed that AMA's Political Action Committee had taken part in fifteen Congressional primaries. (Page 1152)

Recreation Programs

Several major recreation and conservation programs are moving through Congress and prospects are good for enactment this year. A Fact Sheet outlines current progress on the wilderness bill, the land conservation fund, recreation planning grants and other recreation and park legislation. (Page 1145)

Roll-Call Votes

SENATE: Debt limit, export controls, Renegotiation Act extension, p. 1154; Sugar Act amendments, p. 1154, 1155.

HOUSE: Anti-crime bill, non-scheduled airlines, Sugar Act extension, ship construction subsidies, Pacific Islands trust territory, clear channel radio, p. 1156.

Medicare Compromise

The Senate began debate on a new, compromise plan for medical insurance for the aged financed by Social Security, worked out by sponsors of the Administration medicare bill and a group of Republicans. Major GOP proposals incorporated into the new plan: insurance of 2.5 million aged persons not covered by Social Security; a separate Federal Health Insurance Trust Fund; option for federal health insurance beneficiaries to have their benefits paid for through a private insurance company. (Page 1124)

Foreign Subsidiary Taxes

If President Kennedy's current tax bill dies in the Senate Finance Committee, a hotly disputed set of proposals for curtailing the outflow of U.S. investment dollars will die with it. The President's proposals, approved in large part by the House, were designed to increase the tax bite on overseas subsidiaries, curb "tax haven" operations and keep dollars at home. A Fact Sheet explains the proposals and lists the arguments for and against their enactment. (Page 1142)

Politics

A new All-Republican Conference composed of a number of leading party members was established at a June 30 meeting at former President Eisenhower's Gettysburg farm but received an icy reception from Republican Congressional leaders.... Mr. Eisenhower lashed at the Kennedy Administration and excessive defense spending.... The annual Governor's Conference passed a number of resolutions but failed to agree on civil rights and medicare.... A Maryland state court refused to order reapportionment of the geographically-based State Senate. (Pages 1149-1151)